NEW ZEALAND OIL & GAS LIMITED

ANNUAL REPORT 2015

New Zealand Oil & Gas Limited Annual Report

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Signed on behalf of the Board of New Zealand Oil & Gas Limited on 18 September 2015

Peter Griffiths
Chairman

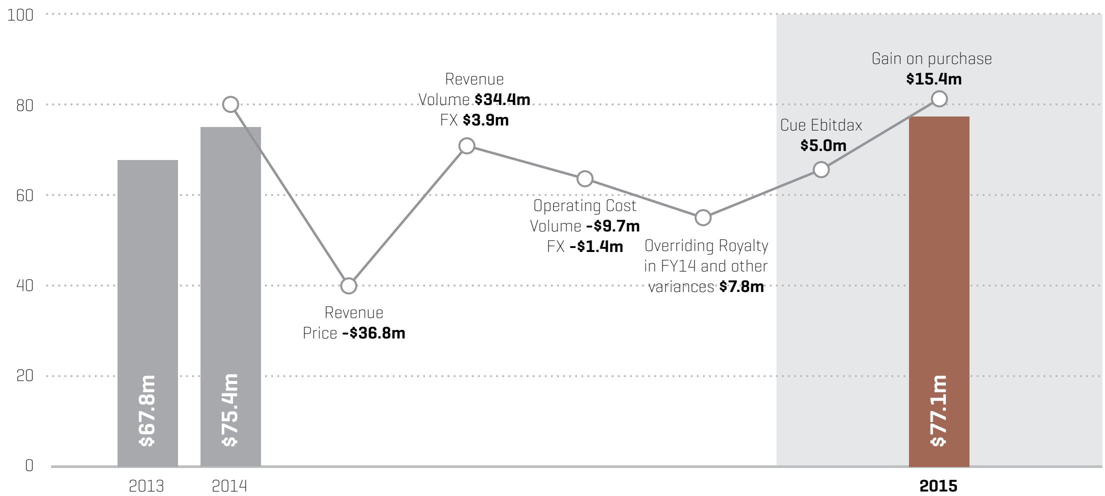
Mark Tume
Director

Financial Overview

All figures expressed in New Zealand dollars

EBITDAX

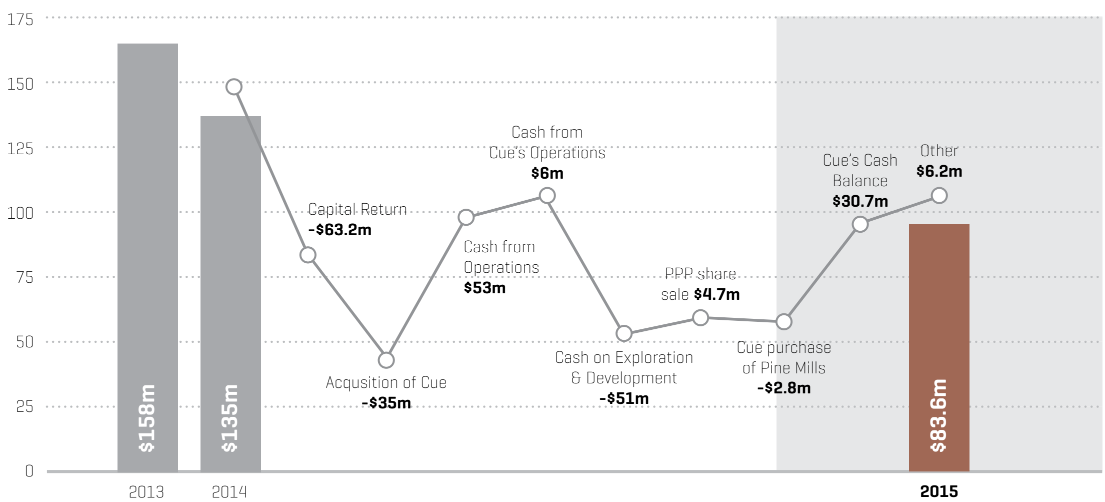
$77.1 million, up 2.25% on FY14



Earnings Before Interest, Tax, Depreciation, Amortisation and Exploration Expenses

Net Cash Balance

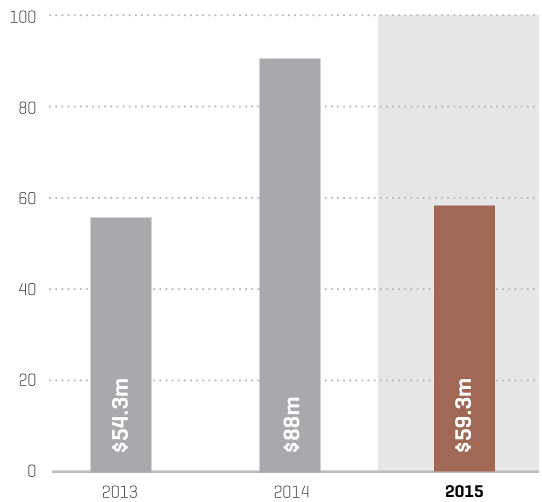
$83.6 million



As at 30 June 2015, the New Zealand Oil & Gas cash balance was NZ$83.6 million, with cash holdings held in both NZ and US dollar accounts. NZ$30.7 million is held by Cue. New Zealand Oil & Gas had no outstanding debt at the end of the period.

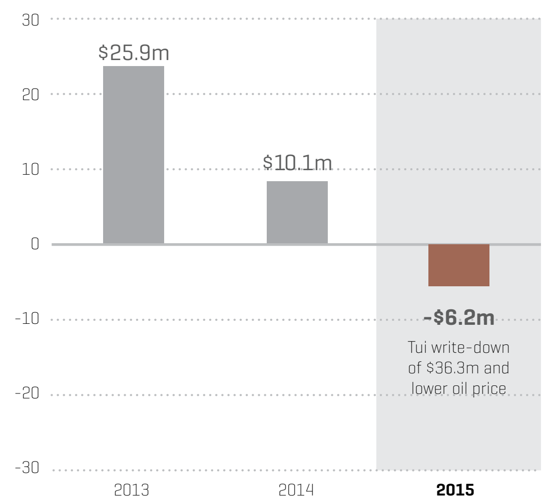
Cash Flows from Operations

$59.3 million



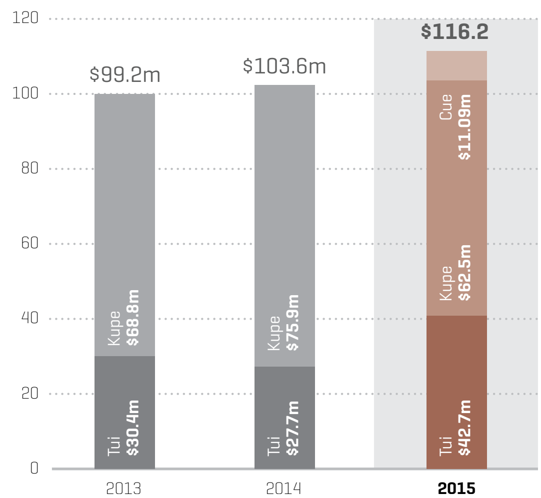
Net loss after Tax

-$6.2 million



Revenue

$116.2 million up 12% on FY14



New Zealand Oil & Gas operating revenue for the quarter was NZ$116.2 million. This included revenue from the sale of Tui oil of NZ$42.7 million, revenue from the sale of Kupe sales gas, LPG and light oil of NZ$62.5 million and recognition of Cue's revenue for Q2 2015 of NZ$11.09 million.

More financial information is contained in the consolidated financial statements.

CHAIRMAN'S & CEO'S REVIEW

Chairman's Review

The company has had an active year adopting a new strategic posture that is appropriate for the current, challenging economic conditions.

With most informed market commentators predicting the oil price may remain in lower ranges for a longer period, our strategy places more focus on reducing costs and spending only on high quality, transformative opportunities.

The industry is experiencing challenging pricing conditions, and in a time like this New Zealand Oil & Gas is fortunate to have a mix of oil and gas production to support our income.

The net earnings for the year were delivered from increased production volumes, and reductions in costs, but negatively influenced by the lower oil prices achieved.

Our existing producing assets are running well and delivering greater volumes.

Gas production from Kupe was solid, and gas prices have not been affected in the same way as oil prices. Increased yield was also achieved at Kupe following the down hole work completed there over summer.

In the Tui oil fields, production began from the Pateke-4H well ahead of schedule and it is performing above expectations.

Both these increases in production are making up for lower prices driven by the fall in global commodities. We will continue to seek more value from our existing production.

Last year we announced our intention to buy existing production that was undervalued by the market. Our first target was Cue Energy.

Our takeover secured over 48 per cent of the stock and control of the company. The successful acquisition of Cue has brought with it production from the Maari oil field off Taranaki, New Zealand, and the Sampang gas and oil field in Indonesia.

We believe our controlling stake was acquired at an attractive price and we are extending our influence on the future direction of the company. New directors have been appointed to the Cue board. We expect Cue to follow the same strategic themes of careful control of costs, tighter focus for exploration opportunities, and optimisation of existing assets.

We have refined our exploration portfolio to concentrate only on opportunities that have the potential to deliver transformative change for the company. One exciting example is in the Clipper permit off the east coast of the South Island, where we announced that our work has uncovered a substantial structure. In our June Quarterly Report we were able to disclose the unrisked 2P size of the Barque structure is 530 million barrels of oil equivalent (265 million barrels net to New Zealand Oil & Gas).*

A successful discovery at Barque has the potential not only to transform our company, it would also have a profoundly positive impact on the national economy. Farm out activities are well advanced and we are encouraged by the level of interest from experienced deep water operators. We hope to be able to make an announcement about the future of Clipper in the near future.

In Indonesia, we are moving to realise value from our efforts across our portfolio. We are particularly encouraged by prospects identified in the Bohorok permit. In conjunction with our JV partners we are completing development plans for the Kisaran discovery. A decision on the next steps is expected late in the year.

* New Zealand Oil & Gas is not aware of new information or data that materially affects this announcement. All material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

Chairman's Review continued

New Zealand Oil & Gas is well positioned to deliver improving results in the future despite a lower oil price.

We are seeing more opportunities from our broader set of producing assets in the coming year. We have identified opportunities in the Kupe field and the joint venture is continuing to review resources and a field development plan. Increased production can also be expected from the Maari and Sampang fields.

Next year exploration will be prudently managed, limited to already comitted activities, and focused on transformative opportunities or those that have short development paths.

We will continue to seek further acquisition opportunities as the lower oil price induces others to bring attractive assets to market.

We will continue to keep tight control of costs in the current conditions and position the company to capture value for shareholders.

Peter Griffiths
Chairman

CEO's Review

It has been a challenging year for the oil industry. Oil prices today are down by more than half compared to when we reported a year ago. Fortunately we started out the year with solid cash flows and a strong balance sheet.

We have been able to weather the downturn with continued good cashflows and increased production to offset lower oil prices.

We reported a 12 per cent increase in revenue, and steady Ebitda performance.

We had good operational performance this year from Tui and Kupe. Three quarters of Kupe volumes are gas and LPG, where pricing has been less affected by the oil price decline.

The Pateke well was successfully connected into Tui for production in April. This provided a healthy boost to Tui reserves.

Revenue from oil sales at Tui was up by 54 per cent on a sales volume increase of 124 per cent. However, the carrying value for our interest in the Tui oil field was written down by over $36 million for the full year because lower forecast oil prices have brought forward the date when production from Tui is expected to become uneconomic. The industry as a whole is working through the impact of declining oil prices, and asset valuations are very much dependent on future oil prices. Sustained lower prices could see further impairments.

Cashflows into the business remain sound, with cash from operations totalling more than $59 million in the year, $83 million of cash at hand at the end of the year (including around $30 million held by Cue Energy), and no debt. In February the company was able to return $63.2 million of capital to shareholders.

In the last quarter of the financial year we consolidated Cue Energy, which we acquired in the first quarter of 2015. This added 12 per cent to revenue.

Looking ahead, we have cut back on exploration spending and we are focusing on reducing costs. We still have elevated production from the Pateke-4H well, which is performing better than expected, and Kupe is performing steadily. Next financial year we will add in Cue's revenue for the full year, while looking for further gains to be achieved from this investment.

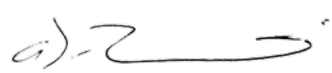
Our screening has identified further opportunities to acquire under-valued assets, and our cash flows and balance sheet provide the ability to capture significant value, although we are prepared to be patient.

The well intervention programme at Kupe early in 2015 showed increased gas and condensate rates and wellhead pressures, suggesting more resource may be recoverable. We are looking at options for more development. I expect to see more value from our producing assets in the coming year.

Exposure to exploration is being carefully managed to match the reduced risk tolerance in this part of the pricing cycle. We want to focus on our truly significant value add opportunities. During the year we abandoned three permits that no longer fit our portfolio priorities or where capital commitments could not be sufficiently reduced. Some legacy commitments remain in our portfolio to be worked through.

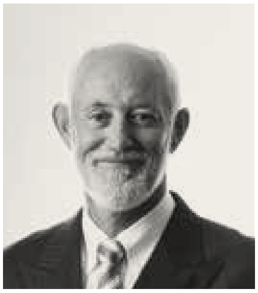
This past year has been about refocusing our strategy to respond to the global market downturn in oil prices.

Looking ahead, our strong cashflows and elevated levels of production, together with our interest in Cue, emphasis on controlling costs, and reduced spending on exploration should ensure the business is well placed.



Andrew Knight
Chief Executive

Directors



Peter Griffiths

Chairman

Peter Griffiths joined the board of New Zealand Oil & Gas in December 2009, having retired after 21 years with BP, the last 10 years of which he was managing director of BP New Zealand. Peter was previously involved in offshore oil and gas field operations in Australasia, Malaysia and the United Kingdom. He is Chairman of Z Energy, Deputy Chair of the Civil Aviation Authority, and is on the boards of Marsden Maritime Holdings Ltd, and New Zealand Diving and Salvage Ltd. He holds a BSc (Hons) from Victoria University in Wellington.

Dr Rosalind Archer

Independent Director

Dr Rosalind Archer joined the board of New Zealand Oil & Gas in November 2014. Rosalind graduated with a BSc from University of Auckland. Rosalind holds a PhD in Petroleum Engineering, and PhD minor in Geological and Environmental Studies from Stanford University. She is a professor at the University of Auckland, and head of its Department of Engineering Science. Rosalind runs a consulting practice as a reservoir engineer with clients locally and internationally. She regularly speaks on reservoir engineering topics at international conferences. Rosalind is also director of the University of Auckland Geothermal Institute.

Rodger Finlay

Independent Director

Rodger Finlay joined the board of New Zealand Oil & Gas in February 2012. Rodger has more than thirty years experience in the financial services industry including senior investment banking and funds management positions with major institutions, specialising in the global natural resource sectors. Rodger has a Bachelor of Commerce (Accounting and Finance) from the University of Otago. He is a Fellow of Chartered Accountants Australia and New Zealand, and a Chartered Member of the Institute of Directors. He is currently Chairman of Mundane Asset Management, Deputy Chairman of Rural Equities Limited, and a director of Moeraki Limited.

Andrew Knight

Chief Executive

Andrew Knight joined the board of New Zealand Oil & Gas in January 2008. He is a chartered accountant and graduate of Waikato University with a BMS (Hons). Andrew had his own consultancy business and previously held executive management roles with Vector and NGC and worked in New Zealand and Australia with The Australian Gas Light Company, Fletcher Challenge Energy and Coopers & Lybrand. His other directorships include the Petroleum Exploration and Production Association of New Zealand, Gas Industry Company Ltd, Taranaki Iwi Holdings Management Ltd and Sea Group Holding Ltd. He is a member of Chartered Accountants Australia and New Zealand.

Rod Ritchie

Independent Director

Rod Ritchie joined the board of New Zealand Oil & Gas in 2013. He graduated with a BSc, University of Tulsa. He has 36 years of experience as a line manager and a Health, Safety, Security and Environment executive in the oil and gas industry – including being the corporate senior vice president of HSSE at OMV based in Vienna. He is a member of the Society of Petroleum Engineers.

Duncan Saville

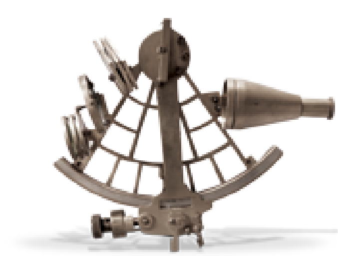
Non-independent Director

Duncan is a Chartered Accountant with extensive experience in corporate finance and asset management and is an experienced non-executive director who has held directorships in the utility, water, airport & technology sectors. He is a founding director of Infratil Limited and is currently a director of listed companies, Touchcorp Limited, Somers Limited, West Hamilton Holdings Limited and New Zealand Oil & Gas which he joined in November 2014. In addition, he is a director of HRL Morrison & Co, ICM Limited, Vix Technology & Zeta Energy Pte Limited. He holds Honours degrees in both Science & Financial Accounting and is a Fellow of both Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

Mark Tume

Independent Director

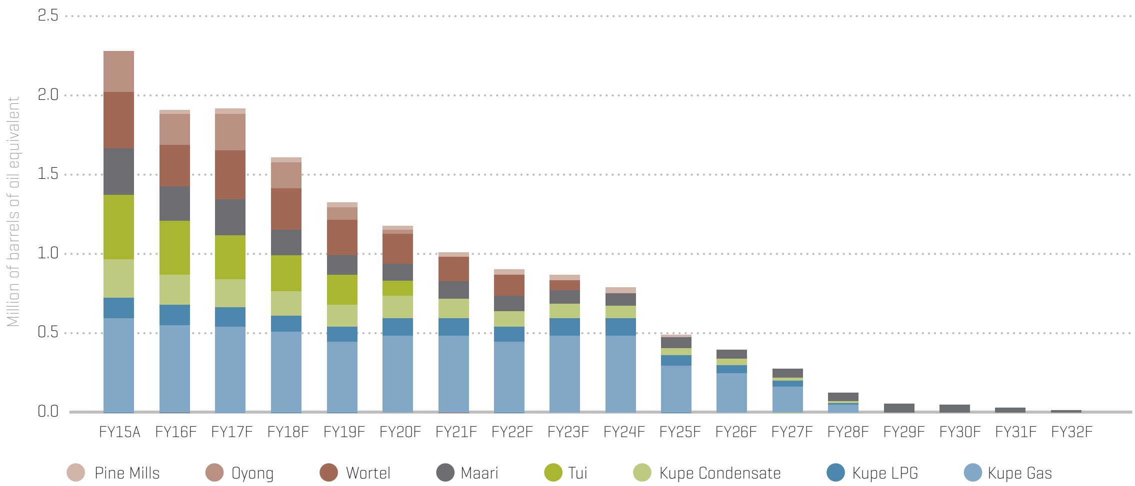
Mark joined the board of New Zealand Oil & Gas in February 2012. Over a 25-year career in infrastructure and finance, Mark has held a variety of senior roles in areas such as investment banking, capital markets, asset and liability management, and risk control. Mark is a full time director, Chairman of Infratil and on the boards of the New Zealand Refining Company, and the Guardians of New Zealand Superannuation. Mark holds a Bachelor of Business Studies and a Diploma in Banking Studies (Treasury Management) from Massey University and was awarded the Hunter Fellowship from Victoria University in 2008.



RESERVES & PRODUCTION

Production

Actual and Forecast 2P Production



Taranaki Basin Production

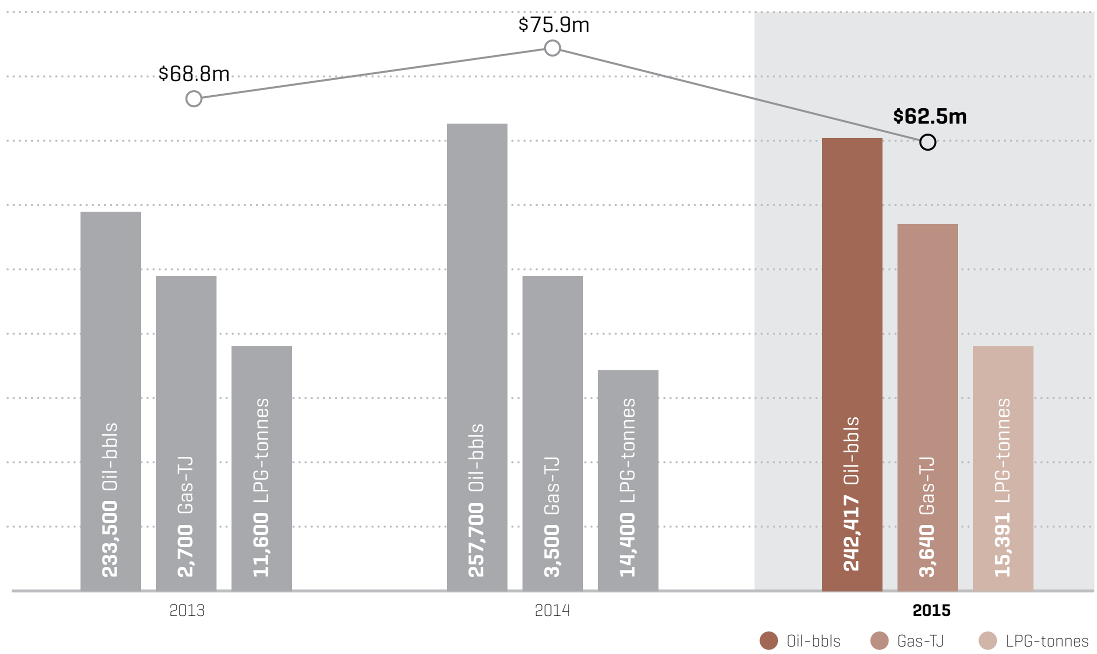
New Zealand Oil & Gas share	2013	2014	2015	Change
Tui (oil-bbls)	208,500	300,000	401,240	34%
Kupe (oil-bbls)	233,500	257,700	242,417	-5.9%
Kupe (Gas-tj)	2,700	3,500	3,640	4%
Kupe (LPG – tonnes)	11,600	14,400	15,391	7%
Maari (oil-bbls)*	-	-	234,000	-
Sampang PSC (oil-bbls)*	-	-	96,000	-
Sampang PSC (gas-mmcf)**	-	-	4,501	-
Pine Mills (oil-bbls)*	-	-	-	-

* New Zealand Oil & Gas has a 48.11 per cent interest in Cue's share of production. Cue's full interest is shown.

** mmcf = million cubic feet.

Taranaki Basin
Kupe Production

Kupe Production



KUPE PRODUCTION HAS IMPROVED

15%	**New Zealand Oil & Gas**
50%	Origin Energy (Operator)
31%	Genesis Energy
4%	Mitsui

Production has been stable throughout the year with excellent plant availability.

Throughout December and January there were planned outages and capacity reductions relating to a well intervention programme. Preliminary results of testing at the Kupe gas and oil field, demonstrated improved well productivity, increased gas and condensate rates and potential access to previously untapped gas reserves.

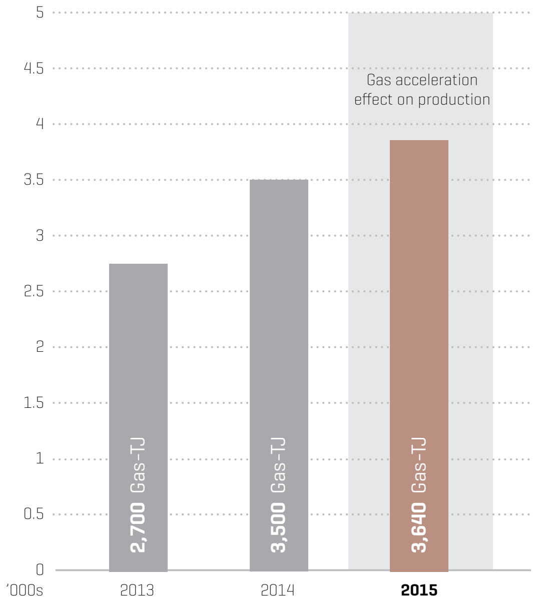
This means ultimate recovery from existing reservoirs may be higher than forecast to date. Reserves assessment work is due to be completed in the coming 2015-16 summer.

Since the well intervention work Kupe has averaged 73 terajoules per day of sales gas. Full year average rate is 67 terajoules per day.

The primary driver for improved gas and LPG production at Kupe is the execution of the accelerated gas sales agreement effective from January 2015. Condensate volumes are slightly down from FY14 due to natural decline in condensate yield from the gas.

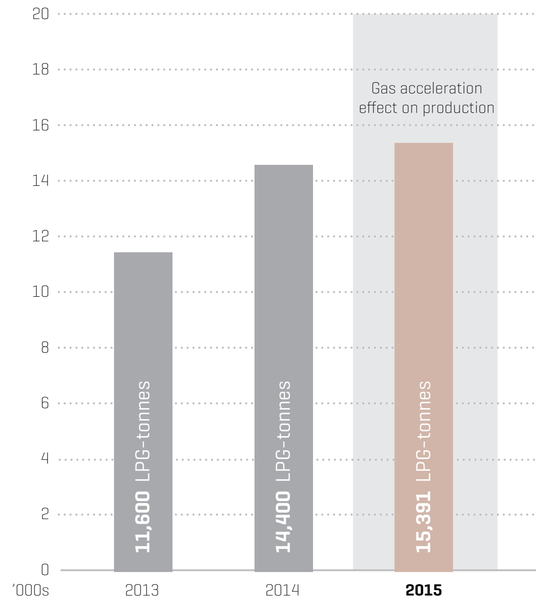
Natural Gas

New Zealand Oil & Gas Share (terajoules)



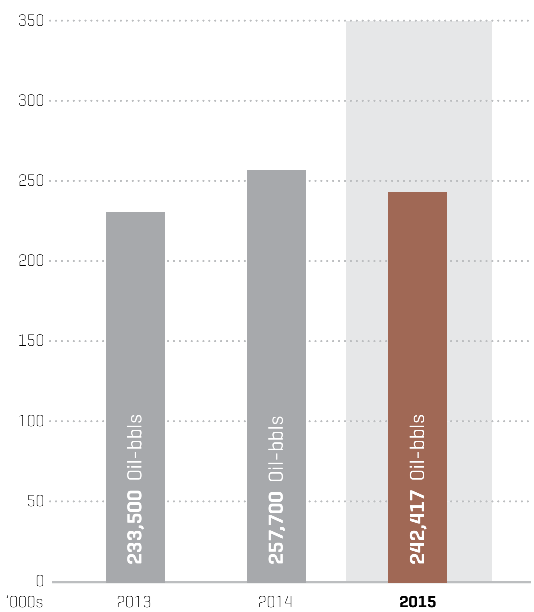
LPG

New Zealand Oil & Gas Share (tonnes)



Condensate

New Zealand Oil & Gas Share (000s barrels)

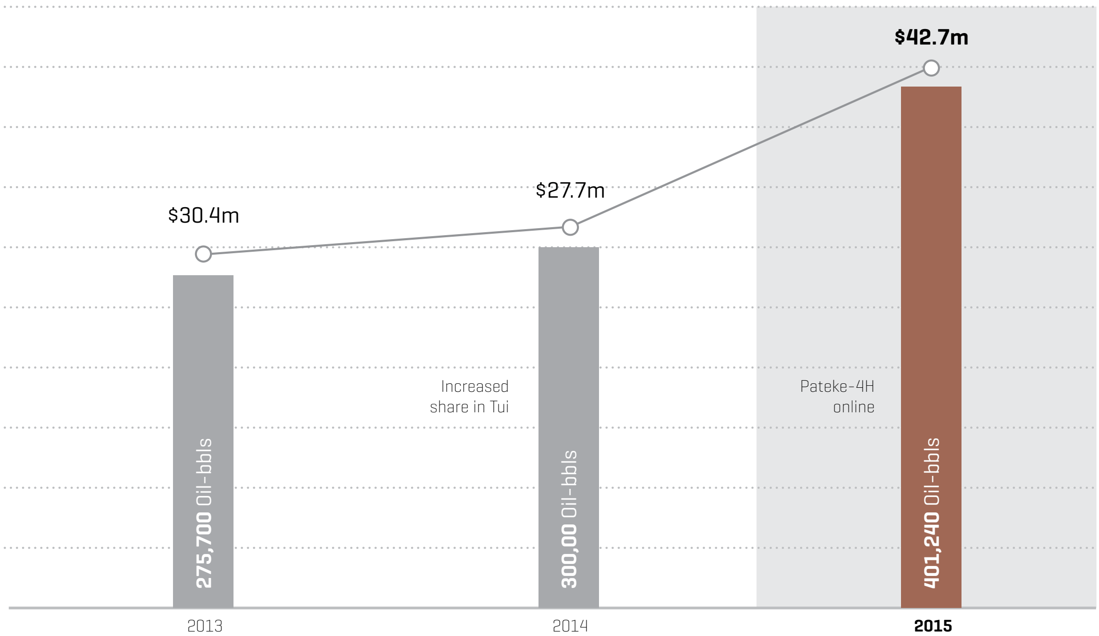


Since the conclusion of work in late January Kupe has averaged 73 terajoules per day of sales gas owing to an accelerated gas sales contract.

Taranaki Basin

Tui Production

Tui Production



TUI PERFORMANCE UP ON PATEKE-4H PRODUCTION

27.5%	**New Zealand Oil & Gas**
57.5%	AWE (Operator)
15%	Pan Pacific Petroleum

Total oil production at Tui for the financial year was 1,459,056 barrels of oil (New Zealand Oil & Gas share was 401,240 barrels).

Tui field production for the year was in line with expectations for the depletion of resources in the field. The second half of the year was affected by small outages due to the Pateke-4H tie-back project.

The Pateke-4H extension of the existing Tui area oil fields was successfully completed on schedule and first production began in April. Tie-back and installation was completed with no safety or environmental incidents.

The project involved the installation of 1,312 metres of flexible flow line, a gas lift umbilical and production manifold, integrated controls and ancillary equipment in water depths of about 124 metres. All infrastructure was successfully tested and commissioned prior to starting production.

Though the production from the Pateke-4H well has exceeded operator expectations in terms of early flush production and a slower water cut development, the current price forecast and economic factors have led to a downgrade of reserves from the Tui field by 0.3 million barrels (New Zealand Oil & Gas share).

The Tui development includes five production wells from three separate oil accumulations; Tui, Pateke and Amokura.

Cue Production

Maari

5%	**Cue Energy**
10%	Horizon Oil
69%	OMV New Zealand (Operator)
16%	Todd Maari

Production commenced in February 2009 from three producing reservoirs to a single wellhead platform adjacent to the Maari field, before connecting to the Floating Production Storage and Offloading (FPSO) vessel, approximately 80 kilometres offshore Taranaki.

The Maari joint venture is working on the Maari Growth Project. Over the 15-month long project, a total of four new production wells were drilled using the Ensco 107 jack-up rig. The joint venture is planning to further increase the field's production rate up to 20,000 barrels of oil per day with the optimisation of production from an existing well and an upcoming 2015 work-over campaign. The Ensco 107 demobilised from the Maari field on 11 July 2015 and the work-over campaign was scheduled to commence in August.

Sampang PSC

15%	**Cue Energy**
45%	Santos Sampang (Operator)
40%	Singapore Petroleum Co.

The Sampang PSC is located in the Madura Straight offshore Madura Island in East Java, Indonesia. It is composed of two producing fields: Oyong oil and gas field and Wortel gas field.

Gas produced from Oyong is transported via a 60 kilometre pipeline to the Grati Onshore Gas Facility and sold to PT Indonesia. Oil is piped to a Floating Storage and Offloading (FSO) vessel for storage and export.

Oil production from the Oyong field commenced in 2007, followed by gas production in 2009. The oil field is in natural decline and a programme of well interventions and recompletions is currently underway. The planned workovers are expected to increase Oyong oil production and extend field life for an additional one to two years until 2017.

Wortel gas production commenced in 2012. Gas is transported through a 7 kilometre pipeline to the Oyong platform then piped to onshore facilities. The joint venture is investigating the potential for development of the Jeruk oilfield, which is technically challenging due to high formation pressures, fractured reservoirs and impurities in the hydrocarbons. The main technical issues to be resolved are the range of uncertainty in the size of the accumulation and the connectivity of the fracture network which will control the quantity of oil which may be recovered by each well and the flow rates that can be achieved.

Pine Mills

80%	**Cue Energy (Operator)**
20%	Gale Force Petroleum

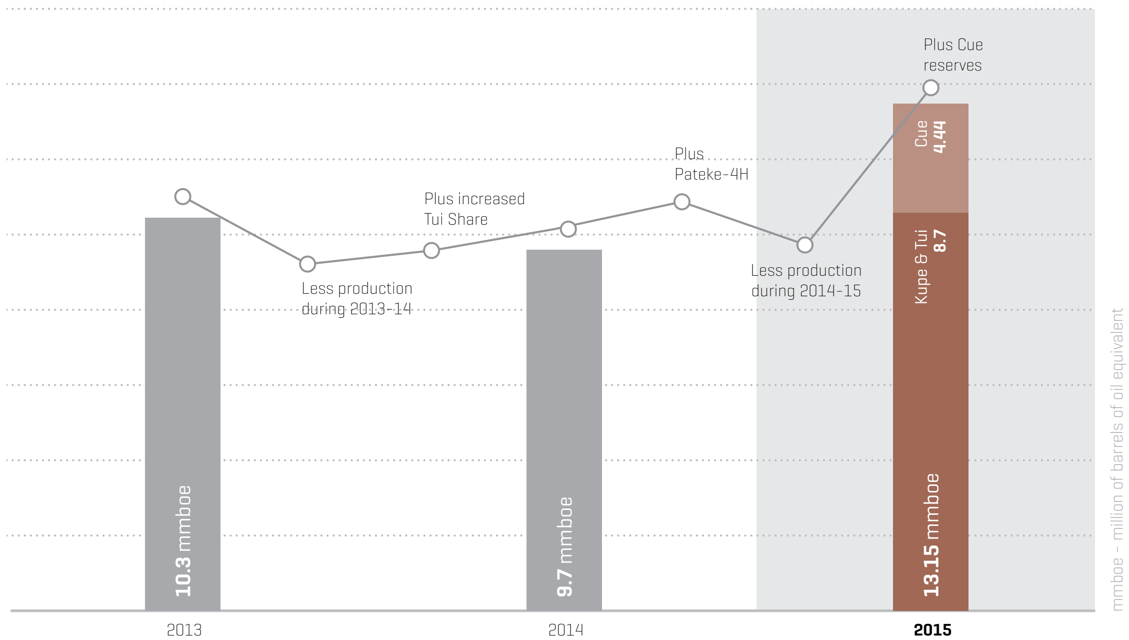
Cue acquired an 80 per cent share of the producing Pine Mills area oil fields in East Texas, USA in June 2015.

The Pine Mills field includes 14 currently producing, conventional, vertical wells, two water injection wells and a further 13 currently inactive wells. Cue believes that there is opportunity to increase production from the Pine Mills field through the low cost workover of producing and inactive wells.

New Zealand Oil & Gas has a 48.11 per cent controlling interest in Cue Energy.

Reserves

New Zealand Oil & Gas Reserves



New Zealand Oil & Gas remaining Proven and Probable (2P) Oil & Gas Reserves as at 30 June 2015

Geographical area	Oil & Condensate (million barrels)	Natural Gas (petajoules)	LPG (Kilotonnes)	Million Barrels of Oil Equivalent*
New Zealand				
Kupe	1.31	31.61	135.32	7.58
Tui	1.13	-	-	1.13
Maari**	1.74	-	-	1.74
Indonesia**				
Sampang PSC	0.08	11.79	-	2.00
USA**				
Pine Mills	0.70	-	-	0.70
Total	**4.96**	**43.40**	**135.32**	**13.15**

* Million barrels of oil equivalent have been calculated as the total oil equivalent of the oil, condensate/light oil, natural gas and LPG figures, using conversion facts consistent with the Society of Petroleum Engineers (SPE) guidelines.

** New Zealand Oil & Gas has a 48.11 per cent interest in Cue's reserves. Cue's full interest is shown.

Developed and undeveloped reserves 2014-2015

Geographical Location	Statement Date		Production	1P			2P		
			FY2014/15	Developed	Un-developed	Total	Developed	Un-developed	Total
	2014								
New Zealand	30/6/2014	Oil - mmbbl	0.5	1.8	0.1	1.9	2.3	0.6	2.8
New Zealand	30/6/2014	Gas - PJ	3.5	20.1	3.9	24.0	22.0	13.2	35.2
New Zealand	30/6/2014	LPG - Ktonnes	14.4	86.8	15.8	102.6	95.1	55.4	150.6
	2015								
New Zealand**	30/6/2015	Oil - mmbbl	0.88	2.14	0.15	2.28	3.28	0.90	4.18
Indonesia	30/6/2015	Oil - mmbbl		0.01		0.01	0.07		0.08
USA	30/6/2015	Oil - mmbbl		0.57		0.57	0.70		0.70
	30/6/2015	**Oil - mmbbl**				**2.85**			**4.96**
New Zealand	30/6/2015	Gas - PJ	3.64	16.46	3.93	20.39	18.41	13.19	31.60
Indonesia	30/6/2015	Gas - PJ		6.18		6.18	8.37	3.42	11.79
	30/6/2015	**Gas - PJ**				**29.31**			**43.40**
New Zealand	**30/6/2015**	**LPG - Ktonnes**	15.39	71.48	15.80	**87.28**	79.86	55.46	**135.32**

Mmbbl – Million barrels of oil   PJ – Petajoules   Kt – Kilotonnes

* New Zealand Oil & Gas has a 48.11 per cent interest in Cue Energy Resources. Cue's full interest is shown.

** Reserves changed due to addition of Maari reserves from acqusition of Cue.

Reserves are the quantities of petroleum anticipated to be commercially recoverable from known accumulations from a given date forward; that are judged to be discovered, recoverable, commercial and remaining.

Proven (1P) reserves are the estimated quantities of oil and gas which the geological and engineering data demonstrate with reasonable certainty (90% chance) to be recoverable in future years from known reservoirs, under existing economic and operating conditions. Probable (2P) reserves are defined as those which have a 50% chance or better of being technically and economically producible.

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

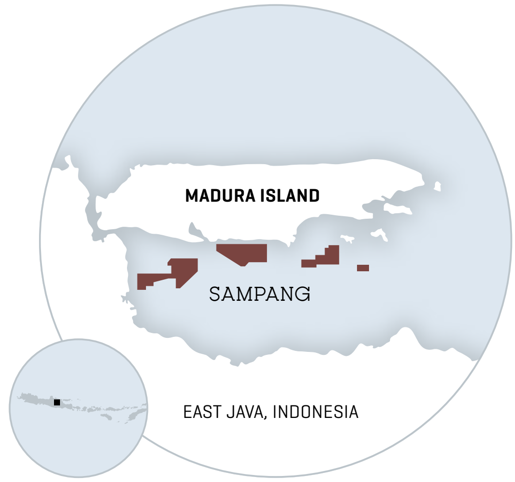
Oil and gas reserves are reported as at 30 June 2015.

The Kupe reserves estimate is based on information provided by the field operator. It is the result of deterministic reservoir simulation modelling by the operator using a compositional simulator, matched with full production history on a well by well basis. Kupe field reserves and the development plan are currently under review by the operator.

The Tui reserves estimate is based on the latest information provided by the field operator. The estimate is the result of deterministic decline curve analysis of the Tui area reservoirs, including the recent Pateke-4H well production performance data.

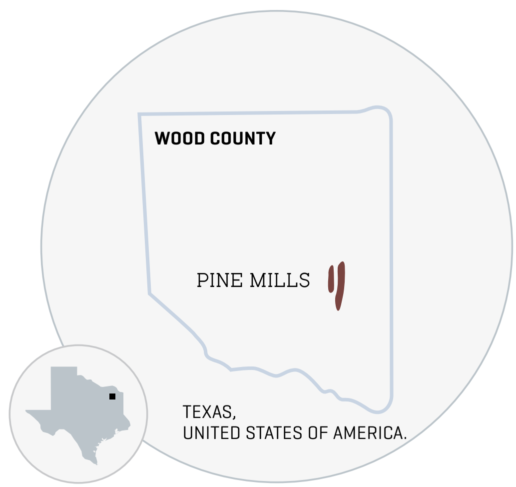
The Maari, Sampang and Pine Mills reserves report is based on information provided by Cue Energy Resources. The Oyong estimates are based on the operator's probabilistic reservoir simulations. Maari is independently assessed using probabilistic well-by-well decline curve analysis. The Wortel and Pine Mills estimates are based on deterministic decline curve analysis.

This reserves statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas Vice President & General Manager, Exploration & Production Andrew Jefferies BEng (Mech Hons), MSc Pet Eng MBA, an SPE (Society of Petroleum Engineers) Certified Petroleum Engineer with over 23 years of industry experience. Mr Jefferies, reviews reserves holdings twice a year by reviewing data supplied and comparing assessments at scheduled Technical Committee Meetings.



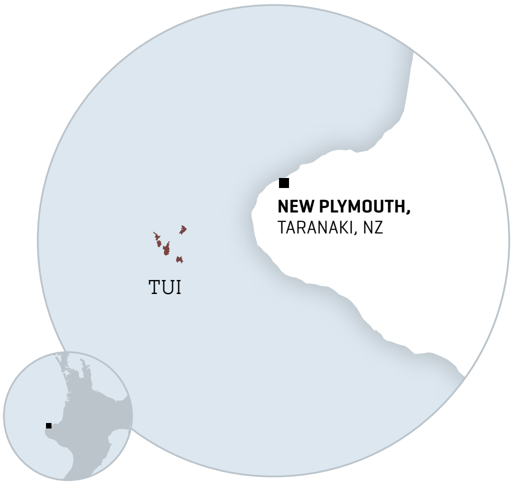
Sampang Production Sharing Contract

15%	**Cue Energy**
45%	Santos Sampang (Operator)
40%	Singapore Petroleum Company



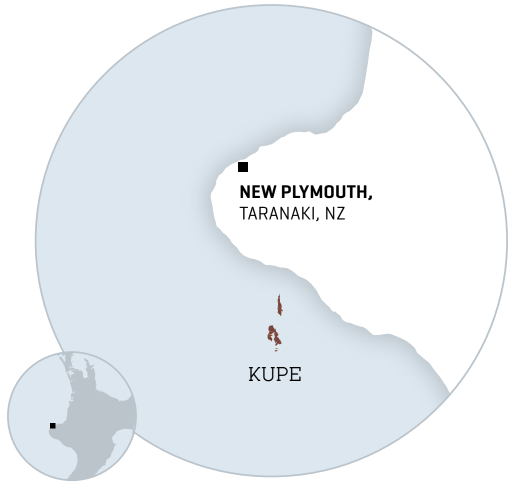
Pine Mills

80%	**Cue Energy** (Operator)
20%	Gale Force Petroleum



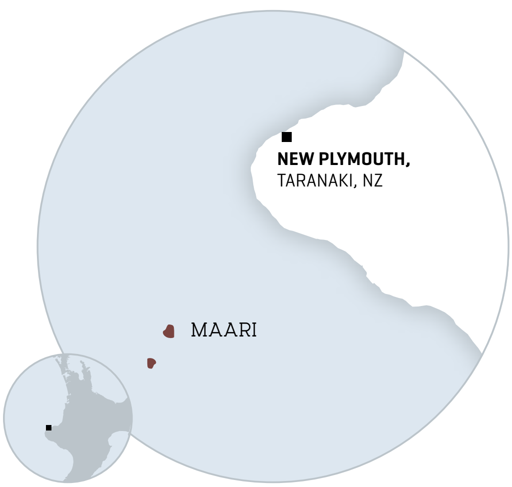
Tui

27.5%	**New Zealand Oil & Gas**
57.5%	AWE (Operator)
15%	Pan Pacific Petroleum



Kupe

15%	**New Zealand Oil & Gas**
31%	Genesis Energy
50%	Origin Energy (Operator)
4%	Mitsui



Maari

5%	**Cue Energy**
10%	Horizon Oil International
69%	OMV New Zealand (Operator)
16%	Todd Maari

New Zealand Oil & Gas Interests

Name	Region	Country	Type	Interest
Kupe PML 38146	Taranaki Basin	New Zealand	Mining Licence	15%
Tui PMP 38158	Taranaki Basin	New Zealand	Mining Permit	27.5%
Matuku PEP 51906	Taranaki Basin	New Zealand	Exploration Permit	12.5%
Kaheru PEP 52181	Taranaki Basin	New Zealand	Exploration Permit	35% Operator
Waru PEP 54857*	Taranaki Basin	New Zealand	Exploration Permit	100% Operator
Taranga PEP 52593*	Taranaki Basin	New Zealand	Exploration Permit	50%
Takapou PEP 53473*	Taranaki Basin	New Zealand	Exploration Permit	50%
Maari PMP 38160**	Taranaki Basin	New Zealand	Mining Permit	Cue Energy 5%
Aihe PEP 54865**	Taranaki Basin	New Zealand	Exploration Permit	Cue Energy 20%
Whio PEP 51313 **	Taranaki Basin	New Zealand	Exploration Permit	Cue Energy 14%
Te Kiri PEP 51149 **	Taranaki Basin	New Zealand	Exploration Permit	Cue Energy 20%
Vulcan PEP 55793	Taranaki Basin	New Zealand	Exploration Permit	30%
Clipper PEP 52717	Canterbury Basin	New Zealand	Exploration Permit	50% Operator
Galleon PEP 55792	Canterbury Basin	New Zealand	Exploration Permit	100% Operator
Toroa PEP 55794	Great South Basin	New Zealand	Exploration Permit	30%
MNK Bohorok	North Sumatra	Indonesia	Joint Study Agreement	20.25%
MNK Kisaran	Central Sumatra	Indonesia	Production Sharing Contract	11.25%
MNK Palmerah	South Sumatra	Indonesia	Production Sharing Contract	15.84%
Bohorok PSC	North Sumatra	Indonesia	Production Sharing Contract	45%
Kisaran PSC	Central Sumatra	Indonesia	Production Sharing Contract	22.5%
Palmerah Baru PSC	South Sumatra	Indonesia	Production Sharing Contract	36%
Sampang PSC**	East Java Basin	Indonesia	Production Sharing Contract	Cue Energy 15%
Mahato**	Central Sumatra Basin	Indonesia	Production Sharing Contract	Cue Energy 12.5%
Mahakam Hilir**	Kutei Basin	Indonesia	Production Sharing Contract	Cue Energy 100% Operator
WA-359-P**	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 100% Operator
WA-360-P**	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 37.5%
WA-361-P**	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 15%
WA-389-P**	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 40%
WA-409-P**	Carnarvon Basin	Australia	Exploration Permit	Cue Energy 100% Operator
Pine Mills**	Pine Mills area oil fields, East Texas	USA	Mining Permit	Cue Energy 80% Operator

* Waru was surrendered in June 2015.
Taranga and Takapou were surrendered in September 2014.

** New Zealand Oil & Gas has a 48.11 per cent interest in Cue Energy.

FINANCIAL STATEMENTS

Consolidated Financial Statements

for the year ended 30 June 2015

The Board of Directors of New Zealand Oil & Gas Limited authorise these consolidated Financial Statements for issue on 26 August 2015.

For and on behalf of the Board.

PW Griffiths
Chairman

26 August 2015

M Tume
Director

26 August 2015

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2015

	Notes	2015 $'000	2014 $'000
Revenue	5	**116,235**	103,622
Operating costs	6	**(36,884)**	(21,982)
Amortisation of production assets		**(39,639)**	(25,751)
Gross profit		**39,712**	55,889
Other income	5	**17,862**	11,758
Exploration and evaluation costs expensed	16	**(15,562)**	(29,529)
Asset impairment	17	**(36,300)**	-
Other expenses	7	**(13,934)**	(10,638)
Results from operating activities		**(8,222)**	27,480
Finance costs	8	**(2,951)**	(6,566)
Finance income	8	**5,846**	4,200
Net finance income/(costs)		**2,895**	(2,366)
(Loss)/profit before income tax and royalties		**(5,327)**	25,114
Income tax credit/(expense)	9	**5,823**	(7,310)
Royalties expense	10	**(6,658)**	(7,726)
(Loss)/profit for the year		**(6,162)**	10,078
(Loss)/profit for the year attributable to:			
(Loss)/profit attributable to shareholders		**(6,095)**	10,078
(Loss)/profit attributable to non-controlling interest		**(67)**	-
(Loss)/profit for the year		**(6,162)**	10,078
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Fair value loss through other comprehensive income		**(3,652)**	(2,091)
Items that may be classified to profit or loss			
Foreign currency translation differences		**30,046**	(6,770)
Total other comprehensive income for the year		**20,232**	1,217
Total comprehensive income for the year is attributable to:			
Equity holders of the Group		**20,299**	1,217
Non-controlling interest		**(67)**	-
Total comprehensive income for the year		**20,232**	1,217
Earnings per share			
Basic and diluted (cents per share)	24	**(1.5)**	2.4

The notes to the financial statements are an integral part of these financial statements

Consolidated Statement of Financial Position

As at 30 June 2015

	Notes	2015 $'000	2014 $'000
Assets			
Current assets			
Cash and cash equivalents	11	**83,659**	135,075
Receivables and prepayments	12	**29,579**	27,102
Inventories		**8,842**	6,930
Current tax receivables		**-**	1,752
Total current assets		**122,080**	170,859
Non-current assets			
Evaluation and exploration assets	16	**70,214**	54,927
Oil and gas assets	17	**289,356**	223,801
Property, plant and equipment		**277**	1,095
Other intangible assets		**1,449**	724
Other financial assets	18	**1,960**	9,842
Total non-current assets		**363,256**	290,389
Total assets		**485,336**	461,248
Liabilities			
Current liabilities			
Payables	19	**31,415**	32,349
Current tax liabilities		**3,625**	-
Other current liabilities		**-**	304
Total current liabilities		**35,040**	32,653
Non-current liabilities			
Borrowings		**1,001**	776
Rehabilitation provision	20	**78,930**	41,173
Other provisions	21	**6,863**	-
Deferred tax liability	9	**35,600**	44,507
Total non-current liabilities		**122,394**	86,456
Total liabilities		**157,434**	119,109
Net assets		**327,902**	342,139
Equity			
Share capital	22	**319,060**	377,662
Reserves	23	**842**	(25,566)
Retained earnings		**(28,486)**	(9,957)
Attributable to shareholders of the Group		**291,416**	342,139
Non-controlling interest in subsidiaries		**36,486**	-
Total equity		**327,902**	342,139
Net asset backing per share (cents per share)		**95**	81
Net tangible asset backing per share (cents per share)		**74**	68

The notes to the financial statements are an integral part of these financial statements

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

	Issued capital $'000	Reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balance as at 1 July 2014	**377,662**	**(25,566)**	**(9,957)**	**342,139**	**-**	**342,139**
Comprehensive income						
Profit for the year	-	-	(6,095)	(6,095)	(67)	(6,162)
Other comprehensive income, net of tax						
Fair value loss through other comprehensive income	-	(3,652)	-	(3,652)	-	(3,652)
Foreign currency translation differences	-	30,046	-	30,046	-	30,046
Total comprehensive income	**-**	**26,394**	**(6,095)**	**20,299**	**(67)**	**20,232**
Transactions with shareholders of the Group						
Non-controlling interest arising on acquisition of subsidiary	-	-	-	-	36,553	36,553
Shares issued/(cancelled)	4,560	-	-	4,560	-	4,560
Buy back of issued shares	(63,163)	-	-	(63,163)	-	(63,163)
Partly paid shares issued	1	-	-	1	-	1
Share based payment	-	72	-	72	-	72
Transfer of expired share based payments during the year	-	(58)	58	-	-	-
Dividend paid (3 cents per ordinary share)	-	-	(12,492)	(12,492)	-	(12,492)
Balance as at 30 June 2015	**319,060**	**842**	**(28,486)**	**291,416**	**36,486**	**327,902**

The notes to the financial statements are an integral part of these financial statements

Consolidated Statement of Changes in Equity (continued)

For the year ended 30 June 2015

	Issued capital $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000	Non-controlling interest $'000	Total Equity $'000
Balance as at 1 July 2013	370,711	(16,539)	3,822	357,994	-	357,994
Comprehensive income						
Profit for the year	-	-	10,078	10,078	-	10,078
Other comprehensive income, net of tax						
Fair value loss through other comprehensive income	-	(2,091)	-	(2,091)	-	(2,091)
Foreign currency translation differences	-	(6,770)	-	(6,770)	-	(6,770)
Total comprehensive income	-	(8,861)	10,078	1,217	-	1,217
Transactions with shareholders of the Group						
Shares issued/(cancelled)	6,951	-	-	6,951	-	6,951
Share based payment	-	154	-	154	-	154
Transfer of expired share based payments during the year	-	(320)	320	-	-	-
Dividend paid (3 cents per ordinary share)	-	-	(24,177)	(24,177)	-	(24,177)
Supplementary dividend	-	-	(1,023)	(1,023)	-	(1,023)
Foreign investor tax credit	-	-	1,023	1,023	-	1,023
Balance as at 30 June 2014	377,662	(25,566)	(9,957)	342,139	-	342,139

The notes to the financial statements are an integral part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Notes	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		**120,578**	108,560
Interest received		**3,346**	4,170
Other revenue		**-**	9,992
Production and marketing expenditure		**(31,925)**	(19,574)
Payments to suppliers and employees (inclusive of GST)		**(19,792)**	(2,198)
Royalties paid		**(6,944)**	(10,487)
Interest paid		**(10)**	-
Income taxes paid		**(5,982)**	(2,510)
Net cash inflow/(outflow) from operating activities		**59,271**	87,953
Cash flows from investing activities			
Sale of shares in Pan Pacific Petroleum NL		**4,708**	-
Exploration and evaluation expenditure		**(31,870)**	(74,883)
Oil and gas asset expenditure		**(19,256)**	(1,384)
Acquisition of a subsidiary, net of cash acquired		**(4,229)**	-
Purchase of oil and gas interest		**(2,759)**	(7,733)
Purchase of property, plant and equipment		**(609)**	(1,486)
Receipt of loan repayment from related entity		**1,446**	-
Receipt/(payment) of performance bonds		**-**	(1,097)
Net cash inflow/(outflow) from investing activities		**(52,569)**	(86,583)
Cash flows from financing activities			
Issues of shares		**-**	20
Repayment of capital/cancellation of shares		**(63,163)**	-
Proceeds from sale of forfeited shares		**927**	506
Other		**(71)**	(1)
Dividends paid		**(8,895)**	(18,776)
Net cash inflow/(outflow) from financing activities		**(71,202)**	(18,251)
Net increase/(decrease) in cash and cash equivalents		**(64,500)**	(16,881)
Cash and cash equivalents at the beginning of the year		**135,075**	158,018
Effects of exchange rate changes on cash and cash equivalents		**13,084**	(6,062)
Cash and cash equivalents at end of the year	11	**83,659**	135,075

The notes to the financial statements are an integral part of these financial statements

Reconciliation of profit for the year to net cash inflow from operating activities

	2015 $'000	2014 $'000
(Loss)/profit for the year	**(6,162)**	10,078
Depreciation and amortisation	**39,170**	28,563
Deferred tax	**(17,024)**	7,401
Reversal of impairment of loan	**(1,446)**	-
Exploration expenditure included in investing activities	**1,539**	30,036
Impairment and exploration write off	**51,862**	-
(Loss)/gain on purchase of subsidiary	**(15,357)**	154
Net foreign exchange differences	**(1,433)**	4,438
Rehabilitation provision	**2,832**	-
Other	**465**	1,763
Change in operating assets and liabilities		
Movement in trade debtors	**2,795**	5,526
Movement in trade creditors	**(4,575)**	8,998
Movement in inventory	**1,538**	(5,490)
Movement in tax payable	**5,067**	(3,514)
Net cash inflow from operating activities	**59,271**	87,953

The notes to the financial statements are an integral part of these financial statements

Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

1. Basis of accounting

Reporting entity

New Zealand Oil & Gas Limited (the Group) is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX) and Australian Stock Exchange (ASX). The Group is an FMC reporting entity for the purposes of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013. The financial statements presented are for New Zealand Oil & Gas Limited, its subsidiaries and interests in associates and jointly controlled operations (together referred to as the "Group").

Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP') and the Financial Reporting Act 2013. They comply with the NZ equivalents to International Financial Reporting Standards ('NZ IFRS') as appropriate for profit-oriented entities, and with International Financial Reporting Standards ('IFRS').

The functional and reporting currency used in the preparation of the financial statements is New Zealand dollars (NZD or $) rounded to the nearest thousand unless otherwise stated. The financial statements are prepared on a goods and services tax (GST) exclusive basis except billed receivables and payables which include GST.

These financial statements are prepared on the basis of historical cost except where otherwise stated in specific accounting policies contained in the accompanying notes.

Basis of consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that control ceases. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements. Intra-group balances, transactions, unrealised income or expenses arising from intra-group transactions and dividends are eliminated in preparing the Group financial statements. A list of subsidiaries and associates is shown in notes 14 and 15.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in the statement of comprehensive income and held in equity reserves as qualifying cash flow hedges and qualifying net investment hedges. Translation differences on non-monetary items, such as equities classified as fair value through other comprehensive income, are included in the statement of comprehensive income and held in the fair value reserves in equity.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

2. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

- **recoverability of evaluation and exploration assets and oil and gas assets.** Assessment includes future commodity prices, future cash flows, an estimated discount rate and estimates of reserves. Management performs an assessment of the carrying value of investments at least annually and considers objective evidence for impairment on each investment taking into account observable data on the investment, the fair value, the status or context of capital markets, its own view of investment value and its long term intentions (refer to note 16, 17 and 25(a)(ii)).
- **provision for rehabilitation obligations** includes estimates of future costs, timing of required restoration and an estimated discount rate (refer to note 20).
- **recoverability of deferred tax asset.** Assessment of the ability of entities in the Group to generate future taxable income (refer to note 9).

3. Changes in accounting policies

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the accounting periods beginning on or after 1 January 2016 but which the Company has not adopted early.

- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments

The impact of these accounting standards is currently being assessed.

4. Segment information

All operating segments' operating results are reviewed regularly by the Group's chief executive officer (CEO), the entity's chief decision maker, and have discrete financial information available. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, office expenses, and income tax assets and liabilities.

The following summaries describe the activities within each of the reportable operating segments:

- Tui area oil field: development, production and sale of crude oil in the petroleum mining permit area of PMP 38158 located in the offshore Taranaki basin, New Zealand.
- Kupe oil and gas field: development, production and sale of natural gas, liquefied petroleum gas (LPG) and condensate (light oil) in the petroleum mining permit area of PML 38146 located in the offshore Taranaki basin, New Zealand.
- Oil & gas exploration: exploration and evaluation of hydrocarbons in the offshore Taranaki basin and offshore Canterbury basin, New Zealand and in Indonesia. Exploration in Tunisia ceased in 2014.
- Cue Energy Resources Limited (Cue): the Group acquired a controlling interest in Cue during the year and have consolidated performance for the last three months of this year (refer to note 13). Management have treated this as a separate operating segment.

4. Segment information (continued)

2015	Tui oil $'000	Kupe oil & gas $'000	Oil & gas exploration $'000	Other & unallocated $'000	Cue Energy Resources Ltd $'000	Total $'000
Sales to external customers - NZ	-	42,903	-	-	-	42,903
Sales to external customers - other countries	42,655	19,582	-	-	11,095	73,332
Total sales revenue	42,655	62,485	-	-	11,095	116,235
Gain on purchase of subsidiary	-	-	-	15,357	-	15,357
Other income	-	2,183	-	322	-	2,505
Total revenue and other income	42,655	64,668	-	15,679	11,095	134,097
Impairment of oil and gas assets	(36,300)	-	(15,562)	-	-	(51,862)
Segment result	(28,860)	29,881	(15,562)	3,956	2,363	(8,222)
Other reconciling items - other net finance costs						2,895
Loss before income tax and royalties						(5,327)
Income tax and royalties expense						(835)
Loss for the year						(6,162)
Segment assets	46,330	151,330	67,379	-	94,531	359,570
Unallocated assets						125,766
Total assets						485,336
Included in segment results: Depreciation and amortisation expense	12,985	22,867	-	451	2,867	39,170

2014	Tui oil $'000	Kupe oil & gas $'000	Oil & gas exploration $'000	Other & unallocated $'000	Cue Energy Resources Ltd $'000	Total $'000
Sales to external customers - NZ	-	43,615	-	-	-	43,615
Sales to external customers - other countries	27,700	32,307	-	-	-	60,007
Total sales revenue	27,700	75,922	-	-	-	103,622
Other income	139	10,720	-	899	-	11,758
Total revenue and other income	27,839	86,642	-	899	-	115,380
Segment result	14,752	51,585	(29,529)	(9,328)	-	27,480
Other reconciling items - other net finance costs						(2,366)
Profit before income tax and royalties						25,114
Income tax and royalties expense						(15,036)
Profit for the year						10,078
Segment assets	64,351	159,450	54,927	7,437	-	286,165
Unallocated assets						175,083
Total assets						461,248
Included in segment results: Depreciation and amortisation expense	6,249	21,924	-	390	-	28,563

Notes to the Consolidated
Financial Statements (continued)

For the year ended 30 June 2015

5. Revenue

Sales comprise revenue earned from the sale of petroleum products, when the significant risks and rewards of ownership of the petroleum products have been transferred to the buyer. Revenue is recognised at the fair value of the consideration received net of the amount of GST.

Royalty income is recognised on the date the Group's right to receive payment is established and the amount can be reliably measured.

	2015 $'000	2014 $'000
Revenue		
Petroleum sales	**116,235**	103,622
Total revenue	**116,235**	103,622
Other income		
Rental income	**40**	49
Insurance proceeds	**-**	139
Royalty income (i)	**1,980**	10,623
Carbon emission expenditure recovered	**13**	35
Gain on purchase of subsidiary (ii)	**15,357**	-
Other income	**472**	912
Total other income	**17,862**	11,758
Total income	**134,097**	115,380

(i) During 2014 New Zealand Oil & Gas Limited recognised royalty income in relation to overriding royalties from the Kupe oil and gas field. Agreement was reached with Genesis Energy in 2014 in relation to 20% of its 31% interest, while negotiations with Origin Energy were sufficiently advanced to recognise the income in relation to 10% of its 50% interest. Origin Energy signed the agreement in 2015. The royalty income in 2014 includes $8.0m in respect of prior years.

(ii) During 2015 New Zealand Oil & Gas Limited acquired a controlling interest in Cue Energy Resources Limited, resulting in Cue being consolidated into the Group. The acquisition resulted in a gain on purchase as the consideration paid was less than the fair value of the assets acquired, liabilities assumed and non-controlling interest recognised (refer to note 13).

6. Operating Costs

	2015 $'000	2014 $'000
Production and sales marketing costs	**32,903**	22,669
Carbon emission expenditure	**465**	33
Insurance expenditure	**1,979**	1,772
Movement in inventory	**2,322**	(4,171)
Movement in stock over/(under) lift	**(785)**	1,679
Total operating costs	**36,884**	21,982

Lifting arrangements for petroleum products produced in jointly owned operations are of such a frequency that it is not practicable for each participant to receive or sell its precise share of the overall production during the period. At each reporting date, the extent of under/over lift is recognised as an asset or liability at the net realisable value or market rate. The net movement in under lift and over lift is recognised under operating costs in profit or loss.

7. Other expenses

Classification of other expenses by nature	2015 $'000	2014 $'000
Audit Fees paid to the Group auditor - KPMG	**153**	140
Audit fees paid to other auditors - BDO	**93**	-
Directors' fees	**699**	523
Legal fees	**618**	280
Consultants' fees	**1,942**	1,448
Employee expenses (i)	**6,260**	3,572
Depreciation	**87**	393
Amortisation of intangible assets	**369**	235
Share based payment expense	**72**	154
IT and software expenses	**858**	673
Donations	**-**	-
Pre-permit expenditure	**462**	235
Registry and stock exchange fees	**410**	404
Other	**1,911**	2,581
Total other expenses	**13,934**	10,638

(i) Employee expenses are net of $2.6 million (2014: $3.6 million) capitalised to exploration and evaluation assets and recharged to operated joint ventures.

	2015 $'000	2014 $'000
Fees paid to the Group auditor		
Audit and review of financial statements	**153**	140
Non audit related services:		
Tax compliance services	**109**	79
Tax advisory services	**298**	155
Other assurance services	**33**	132
	593	506

Other assurance services include providing corporate finance model review in 2015 and 2014 and technical accounting advice in 2014.

	2015 $'000	2014 $'000
Fees paid to the other auditors (for the year) - BDO		
Audit and review of subsidiary financial statements	**93**	-
Non audit related services:		
Tax compliance services	**15**	-
Tax advisory services	**-**	-
Other assurance services	**1**	-
	109	-

8. Net finance income and costs

	2015 $'000	2014 $'000
Finance costs		
Interest and finance charges	**(119)**	(122)
Unwinding of discount on provisions	**(2,832)**	(1,911)
Exchange losses on foreign currency balances	**-**	(4,533)
Total finance costs	**(2,951)**	(6,566)
Finance income		
Interest income	**2,967**	4,200
Exchange gains on foreign currency balances	**1,433**	-
Reversal of impairment of loan to related entities	**1,446**	-
Total finance income	**5,846**	4,200
Net finance income/(costs)	**2,895**	(2,366)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

9. Taxation

Current and deferred tax is calculated on the basis of the laws enacted or substantively enacted at balance date.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Current and deferred tax are recognised in profit or loss except when the tax relates to items recognised in other comprehensive income, in which case the tax is also recognised in other comprehensive income.

	2015 $'000	2014 $'000
a) Income tax expense		
Current tax	**11,201**	(91)
Deferred tax	**(17,024)**	7,401
Total income tax (credit)/expense	**(5,823)**	7,310
b) Income tax expense calculation		
(Loss)/profit before income tax expense and royalties	**(5,327)**	25,114
Less: royalties expense	**(6,658)**	(7,726)
(Loss)/profit before income tax expense	**(11,985)**	17,388
Tax at the New Zealand tax rate of 28%	**(3,356)**	4,869
Tax effect of amounts which are not deductible/(taxable):		
Difference in overseas tax rate	**35**	-
Non-deductible write off	**988**	1,802
Gain on purchase of subsidiary	**(4,300)**	-
Foreign exchange adjustments	**866**	(534)
Other expenses/(income)	**(344)**	271
	(6,111)	6,408
Under provision in prior years	**288**	902
Income tax (credit)/expense	**(5,823)**	7,310
c) Imputation credits available for subsequent reporting periods	**8,843**	1,165

d) Deferred tax

Deferred taxation is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and future tax benefits are recognised where realisation of the asset is probable. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

The utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing temporary differences. The Group acquired a controlling interest in Cue on 27 March 2015. As at 30 June 2015 Cue have accumulated losses in New Zealand of $21.0 million and in Australia of $70.1 million (AU dollars $61.9 million). The Group has recognised the New Zealand deferred tax asset and offset it against the deferred tax liability as it is expected to be utilised fully through future taxable profits; however, as no future taxable profits are expected to arise in Australia at present no Australian deferred tax asset has been recognised. The future availability of accumulated tax losses remains subject to Cue satisfying the relevant business and shareholder continuity requirements for each jurisdiction.

9. Taxation (continued)

	2015 $'000	2014 $'000
The balance comprises temporary differences attributable to:		
Non-deductible provisions	**22,195**	11,528
Tax losses	**5,875**	5,975
Other items	**-**	162
	28,070	17,665
Other		
Exploration assets	**(9,080)**	(9,685)
Oil & gas assets	**(53,060)**	(50,361)
Other items	**(1,530)**	-
Capitalised borrowing costs	**-**	(2,126)
Sub-total other	**(63,670)**	(62,172)
Net deferred tax liabilities	**(35,600)**	(44,507)
Movements:		
Net deferred tax asset/ (liability) at 1 July	**(44,507)**	(37,151)
Recognised on acquisition	**(4,924)**	-
Recognised in profit or loss	**17,024**	(7,401)
Recognised in other comprehensive income	**(3,193)**	45
Closing balance at 30 June	**(35,600)**	(44,507)

10. Royalties expense

Royalty expenses incurred by the Group relate to petroleum royalty payments to the New Zealand Government in respect of the Tui, Kupe and Maari oil and gas fields, and are recognised on an accrual basis.

11. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, short-term deposits and deposits on call with an original maturity of six months or less.

	2015 $'000	2014 $'000
Cash at bank and in hand	**15,999**	2,284
Deposits at call	**33,159**	15,026
Short term deposits	**22,965**	110,238
Share of oil and gas interests' cash	**11,536**	7,527
Total cash and cash equivalents	**83,659**	135,075

Cash and cash equivalents denominated in currencies other than the presentation currency comprise $30.8 million denominated in US dollars; NZ dollar equivalent $45.3 million (2014: US dollars $30.0 million; NZ dollar equivalent $34.3 million) and $0.4 million denominated in AU dollars, NZ dollar equivalent $0.5 million (2014: AU dollars $Nil; NZ dollar equivalent $Nil) and $1.9 million denominated in ID rupiah, NZ dollar equivalent $0.2 million (2014: ID Rupiah $Nil; NZ dollar equivalent $Nil).

Deposits at call and short-term deposits

The deposits at call and short term deposits are bearing interest rates between 0.2% and 3.6% (2014: 0.6% and 4.4%).

Restrictions of use

Included in cash and cash equivalents is a cash deposit of US dollars $1.5 million (2014: US dollars $2.7 million) which is held as collateral by Australia and New Zealand Banking Group Limited (Australia) as security for a Standby Letter of Credit facility provided by the bank in relation to the Tui FPSO lease contract (refer note 28(b)).

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

Bank debt facilities

At 30 June 2015 the Group has a multi-currency revolving credit facility of $20.0 million with ANZ Bank New Zealand Limited, which is undrawn and available for general corporate and ongoing working capital requirements. Prior to any amount being drawn down under the facility in future, a number of wholly-owned subsidiaries of the Group will become party to the facility and grant an unlimited deed of guarantee and indemnity in favour of ANZ Bank New Zealand Limited.

12. Receivables and prepayments

	2015 $'000	2014 $'000
Trade receivables	**21,322**	21,890
Interest receivable	**-**	396
Share of oil and gas interests' receivables	**6,855**	3,848
Prepayments	**702**	817
Other	**700**	151
Total receivables and prepayments	**29,579**	27,102

Trade receivables denominated in currencies other than the presentation currency comprise $11.6 million denominated in US dollars; NZ dollar equivalent $17.1 million (2014: $2.9 million denominated in US dollars; NZ dollar equivalent $3.3 million) and $0.1 million denominated in AU dollars, NZ dollar equivalent $0.1 million (2014: AU dollars $Nil; NZ dollar equivalent $Nil).

13. Business combinations

On 22 December 2014, the Group acquired 19.99% of the share capital of Cue Energy Resources Limited (Cue) for $14.7 million (AU dollars $14.0 million). By 27 March 2015, the Group acquired a further 28.12% of the share capital for $20.2 million (AU dollars $19.6 million). Cue is a for profit public company listed on the Australian Securities Exchange (ASX), incorporated and domiciled in Australia, and whose operations comprise petroleum exploration, development and production activities.

The Group's interest in Cue has been assessed for control and it was concluded that the Group has power to influence and direct the relevant activities of Cue by way of its representation on Cue's Board and the relative size and dispersion of other voting interests in Cue. On 15 April 2015 NZOG nominated three directors to Cue's Board to act in the interest of the Group in making decisions about relevant activities, while also having regard to the interests of all shareholders. Subsequent to balance date, on 29 July 2015, further changes to the Cue Board resulted in the Group's three nominees having a majority representation on the five-person board.

The gain on purchase of $15.4 million represents that the consideration paid was less than the provisional fair value recognised for Cue's assets acquired, liabilities assumed and non-controlling interest, and is recognised in other income in profit or loss (refer to note 5).

The following table summarises the application of the acquisition method of accounting for the business combination, reflecting the consideration paid and the provisional recognition and fair value measurement of the assets acquired, liabilities assumed and non-controlling interest at acquisition date.

	$'000
Consideration	
Cash (i)	34,900
Total consideration transferred	**34,900**
Recognised amounts of identifiable assets acquired and liabilities assumed (Provisional)	
Cash and cash equivalents	31,066
Trade and other receivables (ii)	6,077
Inventories	2,795
Property, plant and equipment	83
Production properties	78,014
Trade and other payables	(6,063)
Tax liabilities	(279)
Employee provisions	(766)
Other provisions	(6,863)
Rehabilitation provisions	(12,332)
Deferred tax liabilities	(4,924)
Total identifiable net assets	**86,808**
Non-controlling interest (iii)	**(36,551)**
Gain on purchase of subsidiary (iv)	**(15,357)**
Total	**34,900**

(i) The fair value of the 335,854,341 ordinary shares acquired in Cue was based on the published share price on of $0.10 AU dollars at 27 March 2015.

(ii) The fair value of trade and other receivables is $6.1 million and includes trade receivables with a fair value of $1.2 million, which represents the gross contractual amount due and is expected to be fully collectible.

(iii) The fair value of the non-controlling interest in Cue was calculated using the price quoted on the ASX on the final acquisition date of 27 March 2015.

(iv) The Group recognised a gain on purchase of $15.4 million, which is included in other income in the Group's profit or loss for the year ended 30 June 2015.

Cue contributed revenue of $11.1 million since the acquisition date, which is included in the profit or loss for 2015. Cue also contributed a net loss of $ 0.1 million over the same period.

Had Cue been consolidated for the full year (from 1 July 2014) the profit or loss would reflect pro-forma revenue of $40.5 million and net profit of $8.3 million.

Transaction costs incurred in relation to the acquisition of $0.5 million have been charged to other expenses in the consolidated statement of comprehensive income for the year ended 30 June 2015.

The Group has not recognised any fair value for the exploration permits in Cue's portfolio on acquisition as there is insufficient data available to accurately determine the recoverable amount of the individual permits. From 1 April 2015 onwards, evaluation and exploration expenditure is treated in line with the accounting policy outlined in note 16.

14. Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it has power over the entity, has exposure or rights to variable returns from this involvement and when it has the ability to use its power to affect the amount of the returns.

As of 1 April 2015 the Group held a 48.11% interest in Cue Energy Resources Limited which provided sufficient voting rights to unilaterally direct the relevant activities of the investee (refer note 13).

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position respectively.

The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the subsidiaries within the Group are shown over page.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

The consolidated financial statements incorporate the assets, liabilities and results of the following entities:

Name of entity	Country of incorporation	Equity 2015%	Holding 2014 %	Functional Currency
ANZ Resources Pty Limited	Australia	**100**	100	AUD
Australia and New Zealand Petroleum Limited	New Zealand	**100**	100	NZD
Kupe Royalties Limited	New Zealand	**100**	100	NZD
National Petroleum Limited	New Zealand	**100**	100	NZD
Nephrite Enterprises Limited	New Zealand	**100**	100	NZD
NZOG 54867 Limited	New Zealand	**100**	100	NZD
NZOG 38483 Limited	New Zealand	**100**	100	NZD
NZOG 2013 O Limited	New Zealand	**100**	100	NZD
NZOG Asia Pty Limited	Australia	**100**	100	USD
NZOG Bohorok Pty Limited	Australia	**100**	100	USD
NZOG 54857 Limited	New Zealand	**100**	100	NZD
NZOG Developments Limited	New Zealand	**100**	100	NZD
NZOG Devon Limited	New Zealand	**100**	100	NZD
NZOG 2013T Limited	New Zealand	**100**	100	NZD
NZOG Energy Limited	New Zealand	**100**	100	NZD
NZOG Palmerah Baru Pty Limited	Australia	**100**	100	USD
NZOG Offshore Limited	New Zealand	**100**	100	NZD
NZOG Pacific Holdings Pty Limited	Australia	**100**	100	USD
NZOG Pacific Limited	New Zealand	**100**	100	NZD
NZOG Services Limited	New Zealand	**100**	100	NZD
NZOG Taranaki Limited	New Zealand	**100**	100	NZD
NZOG Tunisia Pty Limited	Australia	**100**	100	USD
Oil Holdings Limited	New Zealand	**100**	100	NZD
Pacific Oil & Gas (North Sumatera) Limited	Bermuda	**90**	90	USD
Petroleum Equities Limited	New Zealand	**100**	100	NZD
Petroleum Resources Limited	New Zealand	**100**	100	NZD
Resource Equities Limited	New Zealand	**100**	100	NZD
Stewart Petroleum Co Limited	New Zealand	**100**	100	USD
NZOG MNK Kisaran Pty Limited	Australia	**100**	-	USD
NZOG MNK Bohorok Pty Limited	Australia	**100**	-	USD
NZOG MNK Palmerah Pty Limited	Australia	**100**	-	USD
Cue Energy Resources Limited	Australia	**48.1**	-	AUD
Cue Mahakam Hilir Pty Limited	Australia	**48.1**	-	AUD
Cue (Ashmore Cartier) Pty Ltd	Australia	**48.1**	-	AUD
Cue Sampang Pty Limited	Australia	**48.1**	-	AUD
Cue Taranaki Pty Limited	Australia	**48.1**	-	AUD
Cue Resources Inc	USA	**38.5**	-	USD
Buccaneer Inc	USA	**38.5**	-	USD
Cue Kalimantan Pte Ltd	Singapore	**48.1**	-	USD
Cue Mahato Pty Ltd	Australia	**48.1**	-	AUD
Cue Exploration Pty Limited	Australia	**48.1**	-	AUD

All subsidiary companies have a balance date of 30 June with the exception of Pacific Oil & Gas (North Sumatera) Limited which has a 31 December balance date. All subsidiaries are predominantly involved in the petroleum exploration and production industry.

15. Oil and gas interests

The Group has interests in a number of joint arrangements which are classified as joint operations.

The Group financial statements include a proportional share of the oil and gas interests' assets, liabilities, revenue and expenses with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

The Group held the following oil and gas production, exploration, evaluation and appraisal interests at the end of the year.

			Interests held	
Name	**Country**	**Type**	**2015 %**	**2014 %**
New Zealand Oil & Gas				
PML 38146 – Kupe	New Zealand	Mining Licence	15.0	15.0
PMP 38158 – Tui	New Zealand	Mining Permit	27.5	27.5
PEP 52717 – Clipper	New Zealand	Exploration Permit	50.0	50.0
PEP51906 – Matuku	New Zealand	Exploration Permit	12.5	12.5
PEP52181 – Kaheru	New Zealand	Exploration Permit	35.0	35.0
PEP 55792 – Galleon	New Zealand	Exploration Permit	100.0	100.0
PEP 55793 – Vulcan	New Zealand	Exploration Permit	30.0	30.0
PEP55794 - Toroa	New Zealand	Exploration Permit	30.0	30.0
PEP 54857 – Waru (i)	New Zealand	Exploration Permit	–	100.0
PEP53473 – Takapou (ii)	New Zealand	Exploration Permit	–	50.0
PEP52593 – Taranga (iii)	New Zealand	Exploration Permit	–	50.0
Kisaran PSC	Indonesia	Production Sharing Contract	22.5	22.5
Bohorok PSC	Indonesia	Production Sharing Contract	45.0	45.0
Palmerah Baru PSC	Indonesia	Production Sharing Contract	36.0	36.0
MNK Kisaran PSC	Indonesia	Production Sharing Contract	11.3	11.3
MNK Bohorok (iv)	Indonesia	Joint Study Agreement	20.25	-
MNK Palmerah PSC (v)	Indonesia	Production Sharing Contract	15.84	-
Cue Energy Resources *				
WA-359-P	Australia	Exploration Permit	100.0	-
WA-360-P	Australia	Exploration Permit	37.5	-
WA-361-P	Australia	Exploration Permit	15.0	-
WA-389-P	Australia	Exploration Permit	40.0	-
WA-409-P	Australia	Exploration Permit	100.0	-
PEP51313	New Zealand	Exploration Permit	14.0	-
PEP51149	New Zealand	Exploration Permit	20.0	-
PEP54865	New Zealand	Exploration Permit	20.0	-
Mahakam Hilir PSC	Indonesia	Production Sharing Contract	100.0	-
Maari - PMP 38160	New Zealand	Mining Permit	5.0	-
Sampang PSC	Indonesia	Production Sharing Contract	15.0	-
Mahato PSC	Indonesia	Production Sharing Contract	12.5	-
Pine Mills	USA	Mining Permit	80.0	-

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

(i) PEP54857 (Waru) was relinquished to the Crown in June 2015

(ii) PEP53473 (Takapou) was relinquished to the Crown in September 2014

(iii) PEP52593 (Taranga) was relinquished to the Crown in September 2014

(iv) The contract for MNK Bohorok Joint Study Agreement was awarded in February 2015

(v) The contract for MNK Palmerah PSC was awarded in May 2015

* represents the percentage interest held by Cue Energy Resources Limited. The Group interest is 48.1% of the Cue interest.

15. Oil and gas interests (continued)

Share of oil and gas interests' assets and liabilities

	2015 $'000	2014 $'000
Current assets		
Cash and cash equivalents	**11,536**	7,527
Trade receivables*	**7,034**	3,848
Inventory	**4,834**	581
Non-current assets		
Petroleum interests**	**594,419**	426,480
Total assets	**617,823**	438,436
Current liabilities		
Short-term liabilities	**20,168**	17,410
Total liabilities	**20,168**	17,410
Net assets	**597,655**	421,026

Share of oil and gas interests' Profit

	2015 $'000	2014 $'000
Revenue*	**548**	218
Expenses	**(35,292)**	(19,410)
Profit before income tax	**(34,744)**	(19,192)

* Trade receivables and revenues above do not include petroleum sales in relation to the Tui, Kupe and Maari fields, as the Group's share of production volumes are transferred from the Joint Venture to wholly owned subsidiaries and invoiced directly by the subsidiaries to third parties.

** Petroleum interests are prior to amortisation of production assets and borrowings.

16. Evaluation and exploration assets

Exploration and evaluation expenditure capitalised represents the accumulated costs incurred in each area of interest where:

(i) exploration activities have not reached a stage which permits a reasonable assessment/evaluation of the existence of economically recoverable reserves and significant active operations are continuing; or

(ii) such expenditure is expected to be recouped through the successful development or sale of the interest.

An area of interest is defined by the Group as being a permit area where rights of tenure are current. Expenditure incurred prior to obtaining rights of tenure are expensed in the period in which they are incurred.

Upon determining technical feasibility and commercial viability of an area of interest, capitalised expenditure is transferred to development assets. No amortisation is provided for in respect of exploration and evaluation assets.

Capitalised expenditure is impaired and an expense is recognised in the income statement in the period that exploration activities demonstrate that an area of interest is no longer prospective for economically recoverable reserves or when a decision to abandon is made.

	2015 $'000	2014 $'000
Opening balance	**54,927**	44,480
Expenditure capitalised	**24,082**	81,292
Revaluation of USD exploration and evaluation assets	**6,767**	(4,393)
Impairment/expenditure written off*	**(15,562)**	(29,529)
Transfer of exploration and evaluation assets to development	**-**	(36,923)
Closing balance	**70,214**	54,927

* The expenditure written off during the year relates to the following permits (refer to Note 15):
- PEP 52593 – Taranga
- PEP 53473 – Takapou
- PEP 54857 – Waru

17. Oil and gas assets

Development

Development assets include construction, installation and completion of infrastructure facilities such as pipelines and development wells. No amortisation is provided in respect of development assets until they are reclassified as production assets.

Production assets

Production assets capitalised represent the accumulation of all development expenditure incurred by the Group in relation to areas of interest in which petroleum production has commenced. Expenditure on production areas of interest and any future estimated expenditure necessary to develop proven and probable reserves are amortised using the units of production method or on a basis consistent with the recognition of revenue.

Subsequent costs

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Impairment

The carrying value is assessed for impairment each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss and in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are reassessed at each reporting date and the loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously.

	2015 $'000	2014 $'000
Opening balance	**223,801**	198,634
Oil and Gas asset on acquisition (i)	**78,014**	-
Expenditure capitalised	**22,628**	8,796
Impairment (ii)	**(36,300)**	-
Disposal	**-**	(857)
Amortisation for the year	**(38,874)**	(27,935)
Depreciation for the year	**(35)**	(238)
Revaluation of USD production assets	**37,289**	(2,759)
Abandonment provision	**2,833**	11,237
Transfer from exploration and evaluation assets	**-**	36,923
Closing balance	**289,356**	223,801

(i) The Group acquired a controlling interest in Cue on 27 March 2015 and recognised the fair value of the oil and gas assets acquired as at 31 March 2015 (refer to note 13).

(ii) At 30 June 2015 the Group assessed each oil and gas asset to determine whether an indicator of impairment existed. Indicators of impairment include changes in future selling prices, future costs and reserves. The recoverable amount of each oil and gas asset was estimated and compared to its carrying amount which resulted in an impairment write-down of $36.3 million (2014: $Nil) being recognised in relation to the Tui oil asset. The impairment was included in asset impairment in the profit or loss.

Estimates of recoverable amounts of oil and gas assets are based on their value in use with a discount rate of 10% applied. The oil price assumptions used are based on the Bloomberg consensus mean at balance date and gas and LPG prices on contracted terms.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

18. Other financial assets

	2015 $'000	2014 $'000
Investment assets (i)	-	7,437
Performance bonds	**1,960**	2,362
Refundable security deposits	-	43
Total other financial assets	**1,960**	9,842

i) All 87.5 million shares held in Pan Pacific Petroleum NL were sold in May 2015 for $0.05 per share. The fair value in 2014 was based on ASX quoted market prices at 30 June 2014.

Performance bonds include amounts held as a bond under the terms of entering joint study agreement and production sharing contracts in Indonesia. The bonds are refundable at the completion of the agreed work programmes under the joint study agreement and production sharing contracts.

Refundable security deposits include amounts held by key suppliers as bonds for work to be undertaken and deposits with government agencies subject to licence work programme commitments being met.

19. Payables

	2015 $'000	2014 $'000
Trade payables	**8,585**	543
Stock over lift payable (i)	**764**	1,906
Royalties payable	**3,554**	3,179
Share of oil and gas interests' payable	**14,970**	17,410
Other payables	**3,542**	9,311
Total payables	**31,415**	32,349

(i) Lifting arrangements for petroleum products produced in jointly owned operations are of such a frequency that it is not practicable for each participant to receive or sell its precise share of the overall production during the period. At each reporting date, the extent of under/over lift is recognised as an asset or liability at the net realisable value or market rate. The net movement in under lift and over lift is recognised under operating costs in the profit or loss.

Payables denominated in currencies other than the presentation currency comprise $4.1 million of payables denominated in US dollars; NZ dollar equivalent $6.0 million. (2014: US dollars $3.7 million; NZ dollar equivalent $4.2 million) and $1.5 million of payables denominated in AU dollars; NZ dollar equivalent $1.7 million (2014: AU dollars $Nil; NZ dollar equivalent $Nil) and $3.6 million of payables denominated in ID rupiah; NZ dollar equivalent $0.4 million (2014: ID Rupiah $Nil; NZ dollar equivalent $Nil).

20. Rehabilitation provision

Provisions for restoration have been recognised where the Group has an obligation, as a result of its operating activities, to restore certain sites to their original condition. There is uncertainty in estimating the timing and amount of the future expenditure. The provision is estimated based on the present value of the expected expenditure. The discount rate used is the risk -free interest rate obtained from the country related to the currency of the expected expenditure. In the current year, the discount rate used to determine the provision was 2.59% from the United States. The initial provision and subsequent re-measurement are recognised as part of the cost of the related asset. The unwinding of the discount is recognised as finance costs in profit or loss.

	2015 $'000	2014 $'000
Carrying amount at start of year	**41,173**	30,197
Rehabilitation provision assumed on acquisition of subsidiary (i)	**12,332**	-
Addition/(reduction) in provisions recognised	**2,425**	11,237
Foreign currency revaluation of provisions	**20,066**	(2,172)
Unwinding of discount	**2,934**	1,911
Carrying amount at end of year	**78,930**	41,173

(i) The Group acquired a controlling interest in Cue on 27 March 2015 and recognised the fair value of the rehabilitation provision assumed as at 31 March 2015 (refer to note 13).

21. Other provisions

The Group acquired a controlling interest in Cue on 27 March 2015 and recognised the fair value of a provision assumed as at 31 March 2015 (refer to note 13). The provision relates to a dispute between Cue and another party, whereby Cue may in certain circumstances have an obligation to reimburse monies to the other party from future profits in Sampang PSC, Indonesia. A provision has been recognised for US dollar $4.4 million, plus interest, which is an estimate of the maximum amount that might eventually become payable (refer to note 28).

22. Share capital

	2015 Number of Shares 000s	2014 Number of Shares 000s	2015 $'000	2014 $'000
Opening balance of ordinary shares issued	**423,817**	414,257	**377,662**	370,711
Shares issued during the year	**4,702**	8,123	**4,560**	6,938
Partly paid shares issued	**1,562**	1,437	**1**	13
Shares cancelled as part of capital return*	**(84,217)**	-	**(63,163)**	-
Closing balance of ordinary shares issued	**345,864**	423,817	**319,060**	377,662
Ordinary shares				
Fully paid shares	**338,029**	415,996	**318,980**	377,583
Partly paid shares	**7,835**	7,821	**80**	79
Total share capital	**345,864**	423,817	**319,060**	377,662

Shares issued during the year represent the shares issued under the Dividend Reinvestment Plan. A further 1.5 million shares were transferred from partly paid shares to fully paid shares during the year (2014: 0.6 million shares). The partly paid shares are sold on market with the proceeds included in the shares issued amount.

All fully paid shares have equal voting rights and share equally in dividends and equity.

Partly paid shares issued by the Group to participants of the employee share ownership plan (ESOP) are paid by the participant at NZ dollars $0.01 per share on issue. Partly paid shares are entitled to a vote in proportion to the amount paid up. Information relating to the ESOP, including details of shares issued under the scheme, is set out in note 27.

* In February 2015 the Group cancelled 1 in every 5 ordinary shares and paid $0.75 per ordinary share cancelled. The total capital returned to ordinary shareholders was $63.2 million.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

23. Reserves

	2015 $'000	2014 $'000
a) Reserves		
Revaluation reserve	**(10,534)**	(6,882)
Share based payments reserve	**68**	54
Foreign currency translation reserve	**11,308**	(18,738)
Total reserves	**842**	(25,566)
Movements:		
Revaluation reserve		
Opening balance at 1 July	**(6,882)**	(4,791)
Fair value loss through other comprehensive income	**(3,652)**	(2,091)
Closing balance at 30 June	**(10,534)**	(6,882)
Share-based payments reserve		
Opening balance at 1 July	**54**	220
Share based payment expense for the year	**72**	154
Transfer of expired share based payments during the year	**(58)**	(320)
Closing balance at 30 June	**68**	54
Foreign currency translation reserve		
Opening balance at 1 July	**(18,738)**	(11,968)
Foreign currency translation differences for the year	**30,046**	(6,770)
Closing balance at 30 June	**11,308**	(18,738)

b) Nature and purpose of reserves

i) Revaluation reserve

This reserve relates to Pan Pacific Petroleum NL investment. This investment was sold during the year and losses recognised through other comprehensive income. The losses will be transferred to retained earnings in the next period.

ii) Foreign currency translation reserve

Exchange differences arising on translation of companies within the Group with a different functional currency to the Group are taken to the foreign currency translation reserve. The reserve is recognised in other comprehensive income when the net investment is disposed of.

24. Earnings per share

	2015	2014
(Loss)/profit attributable to shareholders ($'000)	**(6,095)**	10,078
Weighted average number of ordinary shares (000)	**401,683**	411,831
Basic and diluted earnings per share (cents)	**(1.5)**	2.4

25. Financial risk management

Exposure to credit, interest rate, foreign currency, equity price, commodity price and liquidity risk arises in the normal course of the Group's business.

a) Market risk

i) Foreign exchange risk

The Group is exposed to foreign currency risk on cash and cash equivalents, performance bonds, oil sales, recoverable value of oil and gas assets and capital commitments that are denominated in foreign currencies. The Group manages its foreign currency risk by monitoring its foreign currency cash balances and future foreign currency cash requirements. The Group may enter into foreign currency hedge transactions in circumstances where the risk-adjusted returns to shareholders are enhanced as a consequence.

ii) Commodity price risk

Commodity price risk is the risk that the Group's sales revenue and recoverable value of oil and gas assets will be impacted by fluctuations in world commodity prices. The Group is exposed to commodity prices through its petroleum interests. The Group may enter into oil price hedge transactions in circumstances where the risk-adjusted returns to shareholders are enhanced as a consequence.

iii) Concentrations of interest rate exposure

The Group has no external bank debt and therefore its main interest rate risk arises from short-term deposits held.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate as a means of minimising the risk of financial defaults. Financial instruments which potentially subject the Group to credit risk consist primarily of securities and short-term cash deposits, trade receivables and short-term funding arrangements. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings, with funds required to be invested with a range of separate counterparties. The Group's maximum exposure to credit risk for trade and other receivables is its carrying value.

The Group may be exposed to financial risk if one or more of their joint venture partners is unable to meet their obligation in relation to the abandonment costs for jointly owned oil and gas assets. Under the joint venture operating agreement if one or more partners fails to meet their financial obligation, the other partners may become proportionately liable for their share of the financial obligations but would have contractual rights of recovery against the defaulting party.

c) Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has liquid funds to cover potential shortfalls.

The following table sets out the contractual cash flows for all non-derivative financial liabilities and for derivatives that are settled on a gross cash flow basis:

30 June 2015	**6 months or less $'000**	**6-12 months $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**	**Contractual cash flows $'000**
Payables	**29,982**	**-**	**-**	**-**	**-**	**29,982**
Tax liabilities	**3,625**	**-**	**-**	**-**	**-**	**3,625**
Total non-derivative liabilities	**33,607**	**-**	**-**	**-**	**-**	**33,607**

30 June 2014	**6 months or less $'000**	**6-12 months $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**	**Contractual cash flows $'000**
Payables	32,349	-	-	-	-	32,349
Tax liabilities	-	-	-	-	-	-
Total non-derivative liabilities	32,349	-	-	-	-	32,349

At 30 June 2015 the Group had no derivatives to settle (2014: $Nil).

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

25. Financial risk management (continued)

d) Capital management

The Group manages its capital through the use of cash flow and corporate forecasting models to determine its future capital requirements and maintains a flexible capital structure which allows access to debt and equity markets to draw upon and repay capital as required. In July 2009 the Group established a Dividend Reinvestment Plan which applies to dividends declared after 29 July 2009. The Group has an adequate capital base and significant cash reserves from which it can pursue its growth aspirations.

e) Sensitivity analysis

The Group's reporting result at the end of each year is sensitive to financial risks from fluctuations in interest rates and currency risks. The Group's exposure to these risks is described in note 25(a).

The Group's estimated short-term impacts of fluctuations in these areas of risk are summarised below:

The impact on our foreign currency holdings of an increase in the value of the New Zealand dollar against the United States dollar by 5% at 30 June 2015 would be to decrease the Group profit before tax by $1.5 million and decrease the foreign currency translation reserve in equity by $2.3 million (2014: $1.6 million decrease on profit before tax and $2.9 million decrease in the foreign currency translation reserve).

The impact of an increase in interest rates at balance date by 1% would increase the Group's expected interest income for the following financial year by $0.9 million (2014: $1.1 million increase), based on maintaining current cash balances.

f) Recognised assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

g) Financial instruments by category

Group At 30 June 2015	Fair value through other comprehensive income $'000	Amortised cost $'000	Total at carrying value $'000
Assets			
Cash and cash equivalents	**-**	**83,659**	**83,659**
Trade and other receivables	**-**	**28,177**	**28,177**
	-	**111,836**	**111,836**
Liabilities			
Payables	**-**	**29,982**	**29,982**
Borrowings	**-**	**1,001**	**1,001**
	-	**30,983**	**30,983**

Group At 30 June 2014	Fair value through other comprehensive income $'000	Amortised cost $'000	Total at carrying value $'000
Assets			
Cash and cash equivalents	-	135,075	135,075
Trade and other receivables	-	26,134	26,134
Other financial assets	7,437	2,405	9,842
	7,437	163,614	171,051
Liabilities			
Payables	-	32,349	32,349
Borrowings	-	776	776
	-	33,125	33,125

The fair value of financial instruments is equivalent to their carrying value.

26. Related party transactions

Related parties of the Group include those entities identified in notes 14 and 15 as subsidiaries and oil and gas interests. All transactions and outstanding balances with these related parties are in the ordinary course of business on normal trading terms. There have been no material transactions with related parties during the year.

Certain directors have relevant interests in a number of companies with which the Group has transactions in the normal course of business. A number of directors are also non-executive directors of other companies. Any transactions undertaken with these entities have been entered into as part of the ordinary business.

Mr Duncan Saville, a director of the Group, is a director of Zeta Energy Pte Ltd which has a shareholding in Pan Pacific Petroleum NL.

Key management personnel have been defined as the directors, the chief executive and the executive team for the Group. Cue management personnel have been included for the three month period to 30 June 2015.

Key management personnel	2015 $'000	2014 $'000
Short term employee benefits	**4,447**	3,300
Share based payments (i)	**41**	112
Total	**4,488**	3,412

(i) For share based payments see note 27

Other transactions with key management personnel or entities related to them

Mr P W Griffiths is a director and shareholder of NZ Diving & Salvage Limited. NZ Diving & Salvage Limited provided services to joint ventures holding the permits PEP55793 (Vulcan) and PEP55794 (Toroa) of which Woodside Petroleum is the Operator. The service contract was awarded following a robust tender process and approval by the joint venture parties. Amounts were billed based on commercial rates and were due and payable under normal payment terms.

Mr M Tume is the chairman of Infratil Limited (and its subsidiaries which include Trustpower Limited). The Group sold a small volume of gas to Trustpower Limited on commercial terms in the ordinary course of business and amounts were due and payable under normal payment terms.

27. Share-based payments

Participation in the Employee Share Ownership Plan (ESOP) is open to any employee (including a non-executive director) of the Group to whom an offer to participate is made by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, in its discretion, is responsible for determining which employees are to be offered the right to participate in the ESOP, and the number of partly paid shares that can be offered to each participating employee.

Under the ESOP partly paid shares are issued on the following terms:

Restriction periods – each partly paid share is issued on terms that require an escrow period to pass before the holder can complete payment for, and thereafter, transfer the shares. This is usually 2 years. There is also a date 5 years after the offer date by which the issue price for the shares must be paid (this is called the "Final Date").

Issue price – this is set for each partly paid share at the time the offer is made to the participant and is currently set at the lesser of:

- a 20% premium to the Average Market Price on the date of the offer (being the volume weighted average market price over the previous 20 business days); and
- the last sale price of the Group's ordinary shares on the Business Day prior to the Final Date (or such greater amount that represents 85% of the weighted average price of the Group's ordinary shares over the 20 Business Days prior to the Final Date).

The pricing model ensures that the participant does not receive a share at a discount to market price at the time the final payment is made but does provide some protection if the market price reduces after the original offer date.

Participants are required to pay $0.01 per share at the time of issue.

Rights – the rights attached to partly paid shares issued under the ESOP are the same as those attached to ordinary shares in the Group. The partly paid shares rank equally with the ordinary shares in the Group. However, the rights of each partly paid share to vote on a poll, and to dividends or other distributions of the Group, are a fraction equal to the proportion represented by the amount paid up in respect of the share as against the issue price set under the ESOP.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2015

27. Share-based payments (continued)

Issued within year ended	Grant date (last in year)	Final date (last in year)	Average exercise price	Balance at start of year 000s	Issued during the year 000s	Shares paid up during the year 000s	Sold during the year 000s	Forfeited during the year* 000s	Balance at end of the year 000s	Fully vested at end of year 000s
30/06/2010	Jan-10	Nov-14	$1.87	700	-	(50)	(650)	-	-	-
30/06/2011	Jan-11	Nov-15	$1.65	950	-		(400)	-	550	550
30/06/2012	May-12	Apr-16	$0.96	3,900	-		(200)	-	3,700	3,700
30/06/2013	May-13	May-18	$1.13	950	-		-	-	950	950
30/06/2014	Nov-13	Aug-18	$1.01	1,321	-		(177)	-	1,144	
30/06/2015	Sep-14	Sep-19	$0.94	-	1,562		(110)	(107)	1,384	
				7,821	1,562	(50)	(1,498)	(107)	7,728	5,200
Weighted average exercise price				$1.16	$0.94	$1.72	$1.59	$0.94	$1.03	$1.06

* The 107,000 shares forfeited during the year have not yet been transferred from partly paid to fully paid shares, so are included in the Partly Paid Shares in note 22.

Share based payments are recognised based on the fair value of partly paid shares offered to employees at the issue date. The fair value at issue date is determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the partly paid shares, the vesting criteria, the non-tradable nature of the partly paid shares, the share price at issue date and expected price volatility of the underlying share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the issued partly paid share. The assessed fair value at issue date of partly paid shares issued during the year ended 30 June 2015 was $0.05 per share (2014: $0.04 per share). Service conditions attached to the transactions are not taken into account in determining fair value.

The model inputs for partly paid shares issued during the year ended 30 June 2015 include:

a) shares are paid to $0.01 on issue
b) partly paid shares have a five year life and are exercisable after two years from the issue date
c) market price on issue date: $0.79
d) expected price volatility of the Group's shares: 25%
e) expected gross dividend per share: 8.8%
f) risk free interest rate on the issue date: 3.70%

The issue date fair value of partly paid shares issued to employees is recognised as an employee expense, with a corresponding increase in equity over the period in which the employees become unconditionally entitled to the partly paid shares. The amount recognised as an expense is adjusted to reflect the actual number of partly paid shares that vest.

28. Commitments and contingent assets and liabilities

a) Exploration expenditure commitments

In order to maintain the various permits in which the Group is involved the Group has ongoing operational expenditure as part of its normal operations. The actual costs will be dependent on a number of factors such as joint venture decisions including final scope and timing of operations.

b) Operating leases and commitments

The Group leases premises, plant and equipment. Operating leases held over properties give the Group the right to renew the lease subject to a redetermination of the lease rental by the lessor.

	2015 $'000	2014 $'000
Within one year	**932**	354
Later than one year and not later than five years	**1,266**	677
	2,198	1,031

During the year ended 30 June 2015 $0.7 million was recognised as an expense in profit or loss in respect of operating leases (2014: $0.4 million).

The Group is committed to certain operational commitments in respect of the Tui Joint Venture. These operational commitments relate to costs that are integral parts of the Floating Production Storage and Offtake (FPSO) vessel lease until 31 December 2016 with optional one year renewal terms. The total committed by the Group to the FPSO charter and operating and maintenance contracts for period to 31 December 2016 is currently estimated to be US dollars $13.7 million.

c) Contingent assets and liabilities

As a result of an economic project arrangement in the Jeruk field within the Sampang PSC, Indonesia, Cue may in certain circumstances have an obligation to reimburse certain monies spent by the incoming party from future profit within the Sampang PSC.

There is a dispute between Cue and the incoming party as to the quantum of monies that they may be entitled to claim by way of such reimbursement and when any such reimbursement would be payable. The Company is of the view that any amount which might eventually become payable would not be likely to exceed the amount of US dollars $4.4 million which has been provided for in the accounts. Claims made by the incoming party are yet to be settled and hence there is still significant judgement and estimation in relation to these legal claims.

During the year the Cue board of directors introduced a retention bonus scheme for Cue's employees, contingent on them remaining with Cue until the earlier of 1 February 2016 or upon a shareholder acquiring more than 50% of the voting shares in Cue or a merger takes place resulting in the Directors of Cue, immediately prior to that merger, not being a majority of the directors of the board of the merged entity. The amount which might eventually become payable would not be likely to exceed the amount of NZ dollars $1.2 million. At balance date a present obligation to pay this bonus cannot be currently reliably estimated and hence has not been recognised.

29. Subsequent events

The oil price has reduced further since balance date and may significantly impact the recoverable value of the oil and gas assets and operating performance, if lower oil prices were sustained.

There have been no other significant subsequent events since balance date.

Independent Auditor's Report

To the shareholders of New Zealand Oil & Gas Limited

We have audited the accompanying consolidated financial statements of New Zealand Oil & Gas Limited and its subsidiaries ("the group") on pages 22 to 49. The financial statements comprise the consolidated statement of financial position as at 30 June 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided other services to the group in relation to taxation and advisory. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

Opinion

In our opinion, the consolidated financial statements on pages 22 to 49 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of New Zealand Oil & Gas Limited as at 30 June 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

KPMG

26 August 2015
Wellington

Corporate Governance Statement

New Zealand Oil & Gas Limited (the "Company") is a limited liability company registered under the New Zealand Companies Act 1993. The Company is listed and its shares quoted on both the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX) under the code "NZO". This statement sets out the main corporate governance practices adopted by the Company. It is current to 30 June 2015, unless a more recent date is expressly stated, and has been approved by the board. Unless otherwise stated, the Company's governance practices are considered to comply with the corporate governance guidelines issued by the NZX and ASX.

Board of Directors

The board is responsible for the overall corporate governance of the Company including strategic direction, determination of policy, and the approval of significant contracts, capital and operating costs, financial arrangements and investments. In addition to statutory and constitutional requirements, the board has a formal charter that sets out its functions and structure. The board charter is available at www.nzog.com/investor-information/corporate-governance.

The number of directors is specified in the constitution as a minimum of three and up to a maximum of seven. At least two directors must be persons ordinarily resident in New Zealand. Each year one-third of the directors, other than the managing director, must retire by rotation. If eligible, each retiring director may offer themselves for re-election. Details of current directors are set out in the table below:

Director	Appointed	Position	Expertise	Experience
Mr P W Griffiths BSc (Hons)	December 2009	Chairman (Ind)	Energy Operations	BSc (Hons), Victoria University. 21 years with BP, 11 years in offshore oil and gas field operations in Australasia, Malaysia, UK; and 10 years managing director of BP NZ. Chairman of Z Energy, deputy chair of the Civil Aviation Authority. Other directorships: Marsden Maritime Holdings Ltd, and New Zealand Diving and Salvage Ltd.
Dr R Archer PhD, MS, BE	November 2014	(Ind)	Petroleum Engineering	BE in Engineering Science, University of Auckland, PhD in Petroleum Engineering and PhD minor in Geological and Environmental Science, Stanford University. Professor at the University of Auckland, and head of its Department of Engineering Science. Runs an international reservoir engineering consulting practice, Other directorships: University of Auckland Geothermal Institute.
Mr R J Finlay B Com FCA	February 2012	(Ind)	Finance	BCom, Otago University. 30 years experience in financial services industry, 20 of which specialising in the global natural resource sectors. Other directorships: Rural Equities Ltd, Mundane Asset Management and Moeraki Ltd. Fellow of Chartered Accountants Australia and New Zealand and a Chartered Member of the Institute of Directors.

Director	Appointed	Position	Expertise	Experience
Mr A T N Knight BMS (Hons) CA	January 2008	CEO	Energy operations and finance	BMS (Hons) Waikato University. Executive management roles: Vector and NGC. Senior roles in New Zealand and Australia: The Australian Gas Light Company, Fletcher Challenge Energy, Coopers & Lybrand. Other directorships: Petroleum Exploration and Production Association of New Zealand, Gas Industry Company Ltd, Taranaki Iwi Holdings Management Ltd and Sea Group Holdings Ltd. Member of the Chartered Accountants Australia and New Zealand.
Mr R Ritchie BSc	October 2013	(Ind)	Worldwide oil and gas exploration	BSC, University of Tulsa. 36 years of experience as a line manager and a Health, Safety, Security and Environment executive in the oil and gas industry – including being the corporate senior vice president of HSSE at OMV based in Vienna. Other directorships: Sparc (Aust) Pty Ltd. Member: Society of Petroleum Engineers.
Mr D Saville B Com (Hons) BSc (Hons) FCA FAICD	November 2014	(Non-Ind)	Finance and Investment	Chartered Accountant with extensive experience in corporate finance and asset management and an experienced non-executive director who has held directorships in the utility, water, airport & technology sectors. Founding director of Infratil Limited and currently a director of listed companies, Touchcorp Limited, Somers Limited, West Hamilton Holdings Limited and New Zealand Oil & Gas which he joined in November 2014. In addition, director of HRL Morrison & Co, ICM Limited, Vix Technology & Zeta Energy Pte Limited. Honours degrees in both science & financial accounting and a Fellow of both Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.
Mr M Tume BBs	February 2012	(Ind)	Finance	BBS and Dip Banking Studies, Massey University. Hunter Fellowship recipient, Victoria University. 25+ years infrastructure and finance: senior roles in investment banking, capital markets, asset and liability management, and risk control. Other directorships: New Zealand Refining Company, Chairman of Infratil and a director of the Guardians of New Zealand Superannuation Fund.

Matrix of skills and diversity:	No. of directors
• Industry experience (resources and energy)	5
• Executive management (outside directorships, senior management positions)	6
• Financial acumen (financial literacy, accounting or financial qualifications)	4
• Strategy (experience)	5
• HSE (experience in managing HSE issues)	1
• International experience	6
• Technical, geoscience technical (experience)	1

The board is balanced in its composition with each current director bringing a range of complementary skills and experience to the Company, particularly in relation to energy/resources management, operations, and finance. The board has a diverse range of skills, backgrounds, ages, and perspectives.

In addition to particular skills listed, the board views the following competencies as essential for its directors:

- Personal and professional integrity
- Good communication skills
- Ability to analyse information and think strategically

Tenure of directors	No. of directors
0 - 2 years	3
2 - 4 years	2
4 - 6 years	1
6 - 8 years	1
8 - 10 years	0

Prior to appointing a person or putting forward to shareholders a candidate for election as a director, the Company undertakes appropriate checks, such as reference checks, interviews and company register searches, and provides shareholders with all material information in its possession relevant to a decision on election. Such information is mainly contained in the notice of meeting in respect of the relevant shareholders' meeting.

New board members are inducted into the Company via disclosure of information packs regarding the Company and its activities and a series of meetings with the CEO and Chairman of the Company. In addition, on occasion potential new directors have had the opportunity to shadow the board, in a consultant role, for a period of time prior to appointment. Professional development opportunities and relevant training is provided to directors as and when required or relevant.

Independent Directors

A majority of the board are independent directors. The board has determined in terms of the NZX and ASX Listing Rules that as at 30 June 2015, Mr R J Finlay, Mr P W Griffiths, Mr R Ritchie, Dr R Archer and Mr M Tume are independent directors. Mr A T N Knight is not an independent director because of his executive role and Mr D Saville is not an independent director because of his association with Zeta Energy Pte Ltd, Bermuda Commercial Bank Ltd and Utilico Investments Ltd, which together are a substantial shareholder in New Zealand Oil & Gas.

Board Proceedings

The board meets on a formal scheduled basis every two months, and holds other meetings as required. The Chairman and the chief executive establish the agenda for each board meeting. Every month the board doesn't meet, the chief executive prepares an operations report, which includes: a health, safety and environment report; key financials report; and a production update report. A report is prepared for each meeting that, in addition, includes: updates on exploration activities; summaries of new business opportunities; an update on human resources and facilities; a stakeholder engagement update and other reports as relevant. Key strategic issues and opportunities are also presented to the board by management as part of each meeting.

To ensure that independent judgement is achieved and maintained in respect of its decision making, the board has adopted a number of processes which includes:

- Any director may, with the prior consent of the Chairman of the Audit Committee (or in the case of the Chairman of the Audit Committee, the prior consent of the Chairman of the board), obtain independent advice at the Company's expense where the director considers it necessary to carry out their duties and responsibilities as a director. Such consent shall not unreasonably be withheld; and
- Directors must comply with the Directors' Interests Policy, which addresses disclosable interests, conflicts of interest, director information obligations, board review and determination obligations, and the rules for participation in board deliberations in the event of a conflict of interest.

The Company has also entered into Director Disclosure Agreements with each director of the board which addresses the directors' obligations to advise the Company of the directors' relevant interests in securities and contracts.

The Company Secretary is directly accountable to the board, through the Chairman, on all matters to do with the proper functioning of the board.

Board Committees

The board has four formally constituted committees to provide specialist assistance with defined aspects of governance; the Audit Committee, the Nomination and Remuneration Committee, the HSE and Operational Risk Committee and the Community Engagement Committee. Each committee has a written charter setting out its roles and responsibilities, which is available from the Company's website at www.nzog.com/investor-information/corporate-governance.

The Audit Committee is responsible to the board for overseeing the financial and internal controls, financial reporting and risk and audit practices of the Company. The Chairman of the Committee also oversees and authorises any trading in securities by directors, employees or contractors. There are restrictions on trading outlined in the Securities Trading Policy and Guidelines for Directors and the Securities Trading Policy and Guidelines for Employees and Dedicated Contractors. Meetings of the Audit Committee are held at least twice a year. The Chairman of the Board, directors, the chief executive and other employees may be invited by the Committee to attend these meetings. The Committee can meet with the external auditors and senior management in separate sessions. As outlined in the Audit Committee Charter, there is an annual process to consider engagement of auditors, having regard to the auditors' independence and policies for rotation of partners. The Company's external auditor attends the Company's annual shareholder meeting each year and is available to answer questions relevant to its audit.

As at 30 June 2015, the members of the Audit Committee were Mr Tume (Chairman), Mr Finlay and Mr Saville. The Committee is to be composed of three non-executive directors with a majority being independent. The Chairman of the board is not to also be the Chairman of the Audit Committee. At least one member of the Audit Committee is to have an accounting or financial background. The Committee meets these requirements.

The Nomination and Remuneration Committee is responsible to the board for approving the remuneration packages and performance criteria of the chief executive, ensuring employees are appropriately compensated and motivated, and examining the director selection and appointment practices of the Company and the board succession plans. It also reviews and provides recommendations to the board on achieving and implementing the New Zealand Oil & Gas Diversity Policy and the set measurable objectives. Together with the chief executive, it is responsible for reviewing appointees to the management team; allocations of partly paid shares under the employee share ownership plan (ESOP); and recommending to the board amendments to ESOP rules.

The Committee composition is to be three non-executive directors, with a majority being independent. The members of the Nomination and Remuneration Committee as at 30 June 2015 were Mr Finlay (Chairman), Dr Archer and Mr Ritchie (all of whom are independent directors). The Committee is required to meet at least twice a year in June and in December and may invite the executive director or management to participate.

As outlined in the Board Charter, the full board undertakes the responsibility for the nomination and appointment of directors. The board invites director nominations from security holders on an annual basis and each year the board undertakes an annual review of board membership to ensure its composition and the skills and experience of its members meet the Company's ongoing requirements.

The HSE and Operational Risk Committee's role is to advise and support the board in meeting its responsibilities in relation to HSE and Operational Risk matters arising out of the activities and operations of the Group. It is to be comprised of at least three board members, the Chairman is appointed by the board and is to be a non-executive director, although interim arrangements may differ from time to time.

As at 30 June 2015, the members of the HSE and Operational Risk Committee were Mr Ritchie (Chairman), Mr Griffiths and Mr Knight (the Committee therefore has a majority of independent directors). The Committee is to meet at least four times a year and may call upon, and have access to, resources for additional information or advice including external consultants.

The Community Engagement Committee's role is to advise and support the board in meeting its responsibilities in relation to community engagement matters arising out of the activities and operations of the Company. The Committee composition is to be at least three directors, the Chairman is to be appointed by the board and is to be a non-executive director although interim arrangements may differ from time to time. The Committee is to meet as required but at least once a year. As at 30 June 2015, the Committee members were Mr Griffiths (Chairman), Mr Knight and Mr Ritchie.

Committee Meetings 1 July 2014 to 30 June 2015

Director	Board Meeting	Audit Committee	Nomination & Remuneration Committee	HSE	Community Engagement Committee
Peter Griffiths	10/10			3/3	1/1
Rosalind Archer*	6/6		2/2		
Rodger Finlay	10/10	2/2	3/3		
Paul Foley**	4/4	1/1		0/1	
Andrew Knight	9/10			3/3	1/1
Rod Ritchie	6/10		1/3	2/3	1/1
Duncan Saville*	5/6	1/1			
David Scoffham**	4/4		1/1		
Mark Tume	10/10	2/2			

* Dr Archer and Mr Saville were appointed as directors of the Company on 4 November 2014.

** Mr Foley and Mr Scoffham ceased to be directors as at 4 November 2014.

Board Performance and Evaluation

The board is responsible for conducting an annual review of its performance, the performance of its committees, and the performance of individual directors. The process it follows for such evaluations alternates each year between the board undertaking an annual self-review evaluation and the board having the annual review evaluation process facilitated by an external contractor. During a self-review year, the board reviews and evaluates its own operations and the operations of the committees by way of a questionnaire submitted to the directors. Responses are collated and reviewed by the Chairman. The Chairman then undertakes an overall review on the outcomes and produces a written report which is reviewed by the full board. Individual director performance is addressed by one on one review with the Chairman. During an external review year, the contractor facilitates and manages the review evaluation process which includes seeking feedback from the board and management in respect of the board's performance, the performance of its committees, and the performance of individual Directors. Once that feedback has been collated by the contractor, the contractor prepares an evaluation report which is considered by the Chairman and then the full board. The current reporting period was an external review year and a review and evaluation in accordance with that process was undertaken during the reporting period.

Responsibilities of the Board

The board is accountable for the performance of the Company. The specific responsibilities of the board include:

- approving corporate strategy and performance objectives;
- establishing policies appropriate for the Company;
- oversight of the Company, including its control and accountability systems;
- approving major investments and monitoring the return of those investments;
- the overall risk management and control framework for the Company and ensuring appropriate risk management systems are established and applied;
- appointing, removing and evaluating the performance of the chief executive;

- reviewing the performance of senior management;
- appointing and removing the Company Secretary;
- setting board remuneration policy;
- reviewing implementation of strategy and ensuring appropriate resources are available;
- nominating and appointing new directors to the board;
- evaluating the performance of the board, committees of the board, and individual directors;
- reviewing and ratifying systems of risk management, internal compliance and control, codes of conduct, and legal compliance;
- approving and monitoring the progress of any major capital expenditure, capital management and acquisitions and divestitures;
- reviewing and ratifying HSE policies, the HSE Management System and monitoring its implementation and performance;
- approving and monitoring financial and other reporting;
- ensuring that the Company provides continuous disclosure of information such that shareholders and the investment community have available all information to enable them to make informed assessments of the Company's prospects;
- overall corporate governance of the consolidated entity;
- determining the key messages that the Company wishes to convey to the market from time to time; and
- monitoring information commitments and continuous disclosure obligations.

Delegation to management:

While the board has overall and final responsibility for the business of the Company, it has delegated substantial responsibility for the conduct and administration of the Company's business and policy implementation to the chief executive and his management team. Board approved policies and procedures are in place to set parameters for the delegated responsibilities, including:

- Health and Safety Policy;
- Environment Policy;
- Code of Business Conduct and Ethics;
- Communications and Market Disclosure Policy;
- Securities Trading Policies for Directors, Employees and Dedicated Contractors;
- Directors' Interests Policy;
- Protected Disclosure (Whistleblower) Policy;
- Diversity Policy;
- Delegated Authorities Manual;
- Remuneration and Performance Appraisal Policy;
- Treasury Policy;
- ETS Obligations and Carbon Liability: Transactions Policy;
- Email and Internet Use Policy;
- Anti-Harassment Policy; and
- Drugs and Alcohol Policy.

These policies are reviewed on a regular basis. The board may establish other policies and practices to ensure it fulfils its functions.

Health and Safety Policy

The Company is fully committed to the provision of a safe and healthy work environment. The Company aspires to a "no one gets hurt" plus "no incidents" standard under its Health and Safety Policy.

All employees, contractors and joint venture parties engaged in activities under the Company's operational control are responsible for the application of the policy. All employees are responsible for taking all practicable steps to avoid harm being caused to themselves or to others in the work place. They must report any potentially hazardous situations, maintain good housekeeping in all areas and comply with safe work practices and procedures. The Company's managers are responsible for promoting the policy in non-operated joint ventures.

The full Health and Safety Policy is available on the Company's website at www.nzog.com/investor-information/corporate-governance.

Environment Policy

The Company values the environment and is committed to responsible management practices that minimise adverse environmental impacts arising from our activities, using soundly based science as the basis for all of our environmental decisions.

Responsibility for the application of this policy applies to all employees, contractors and joint venture parties engaged in activities under the Company's operational control. The Company's managers are responsible for promoting the policy in non-operated joint ventures.

The full Environment Policy is available on the Company's website at www.nzog.com/investor-information/corporate-governance.

Code of Business Conduct and Ethics

The Company's Code of Business Conduct and Ethics sets out the values and ethics expected of the Company's directors, management, employees and dedicated contractors. The Company strives to create a strong culture of honesty, integrity, loyalty, fairness, forthrightness and ethical behaviour.

Company representatives are required to:

- act with high standards of honesty, integrity, fairness, and equity in all aspects of their involvement with the Company;
- comply fully with the content and spirit of all laws and regulations which govern the operations of the Company, its business environment, and its employment practices;
- not knowingly participate in illegal or unethical activity;
- actively promote compliance with laws, rules, regulations, and the Company's Code of Business Conduct and Ethics; and
- not do anything which would be likely to negatively affect the Company's reputation.

The Code addresses in detail issues such as:

- conflicts of interest and corporate opportunities;
- protection and proper use of Company assets;
- confidential and proprietary information;
- intellectual property;
- competition and fair dealing;
- business entertainment and gifts;
- anti-bribery and corruption;
- cash koha;
- insider trading or tipping; and
- reporting of Code violations.

The Code of Business Conduct and Ethics is available on the Company's website at www.nzog.com/investor-information/corporate-governance.

Communications and Market Disclosure Policy

The Company is committed to maintaining a high standard of communication and providing timely, full and accurate information to shareholders and other stakeholders. The Company is committed to compliance at all times with its obligations, as an NZX and ASX listed company, to provide continuous disclosure to the market and strives to make those disclosures in a way that is clear, concise and effective. The Communications and Market Disclosure Policy's purpose is to reinforce the Company's commitment to the continuous disclosure obligations imposed by law and stock exchange rules, to describe the processes to ensure compliance and to outline the Company's general communications approach aimed at ensuring timely, full and accurate information is provided to shareholders, market participants and market observers.

The policy also provides for the Company encouraging shareholder participation at the Company's annual meeting. The Company does so by inviting questions, promoting dialogue and providing a live webcast of the meeting to enable participation by shareholders who cannot be physically present. Shareholder briefings are held in centres outside of Wellington, in Auckland, Christchurch and regional cities, to maximise opportunities for participation by shareholders. Shareholders have the opportunity to submit questions and materials are posted on the Company's website.

The board is provided with a monthly report by management, which monitors and evaluates media reporting and investor sentiment relating to the Company and its management and directors.

The board is responsible for, by way of example, monitoring commitments and continuous disclosure obligations and initiating action as warranted to ensure reporting is fair and reasonable. The Audit Committee is responsible for monitoring compliance with corporate governance guidelines of the NZX and ASX. The chief executive is accountable for the release of information.

The Communications and Market Disclosure Policy is available on the Company's website at www.nzog.com/investor-information/corporate-governance.

Shareholders and interested parties can subscribe via the website to receive notice of the Company's market announcements by email. The Company issues shareholder, annual, interim, and quarterly reports, which security holders can elect to receive in paper or electronic format. These documents are also posted on the Company's website in a clearly marked Corporate Governance section which is located within the investor information section.

Securities Trading Policies

The Company's Securities Trading Policies set out procedures about when and how an employee, dedicated contractor or director can deal in Company securities. These policies are consistent with the Financial Markets Conduct Act 2013 and its insider trading procedures, and comply with the NZX and ASX rules. The board ensures that these policies are up to date and compliant at all times with any changes to the law and to NZX and ASX listing rules. The Securities Trading Policies are available on the Company's website at www.nzog.com/investor-information/corporate-governance.

Diversity Policy

Through its Diversity Policy the Company is committed to an inclusive workplace that embraces diversity. The Company values, respects and leverages the unique contributions of people with diverse backgrounds, experiences and perspectives. Diversity includes, but is not limited to, gender, age, disability, ethnicity, marital or family status, religion, sexual orientation, gender identity and cultural background. The board monitors the scope and currency of the Diversity Policy.

The policy provides that the Company will recruit from a diverse pool of candidates, who will be considered with no conscious or unconscious bias that may discriminate against certain candidates. It takes into account the domestic responsibilities of employees and adopts flexible work practices.

The board establishes measurable objectives for achieving gender diversity, may establish measurable objectives for other aspects of diversity, and will assess annually both the set objectives and the progress in achieving them. On an annual basis, the Nomination and Remuneration Committee is to make an assessment of success in achieving and implementing the policy and the set objectives and report to the board with recommendations as appropriate.

The board set the following measurable objectives in the reporting period:

2015 Measureable Objectives:	Progress:
Obtain advice on what would be appropriate family friendly policies for New Zealand Oil & Gas to adopt.	As at 30 June 2015, the Company had sought advice in accordance with the set measurable objective, and had received and considered some preliminary advice. Work towards this measureable objective is ongoing.

With respect to the provision of the Diversity Policy, the board has determined that the Company has complied with the policy. The Diversity Policy is available on the Company's website at www.nzog.com/investor-information/corporate-governance.

The following table shows the number of men and women across the organisation (excluding contractors) as at 30 June 2015, and compares that to numbers as at 30 June 2014.

30 June 2015	Total	Number of Men	%	Number of Women	%
Board*	7	6	86%	1	14%
Senior Executives**	6	6	100%	0	0
Other Employees	20	10	50%	10	50%

30 June 2014	Total	Number of Men	%	Number of Women	%
Board*	7	7	100%	0	0%
Senior Executives**	6	6	100%	0	0
Other Employees	18	9	50%	9	50%

* Includes Managing Director.

** Senior Executives have an executive management role and report directly to the chief executive.

Directors' Interests Policy

The directors are required to recognise that the possibility of conflict of interest exists, and are expected to declare potential conflict of interest situations to the board and manage conflicts of interest in accordance with the Directors' Interests Policy, the Code of Business Conduct and Ethics, and the Company's Constitution. The Company maintains an Interests Register in compliance with the Companies Act 1993, which records particulars of certain transactions and matters involving Directors. The Directors' Interests Policy is available on the Company's website at www.nzog.com/investor-information/corporate-governance.

Protected Disclosures (Whistleblower) Policy

The Company has a Protected Disclosures (Whistleblower) Policy that provides a procedure for Company employees and contractors to raise concerns or make disclosures about what they observe happening at work. The purpose is to facilitate disclosure and investigation of serious wrongdoing. It provides a mechanism for concerns being raised and dealt with at an early stage and in an appropriate manner and for ensuring that the person making the report is protected from any adverse consequences where it is made in good faith. The protected Disclosures (Whistleblower) Policy is available on the Company's website at www.nzog.com/investor-information/corporate-governance.

Delegated Authorities Manual

The board has established formal limits of authority to provide clarity to the managing director and management so that they are in a position to carry out the business of the Company in an efficient and effective manner within the parameters of proper corporate governance. The Delegated Authorities Manual set limits to financial commitments and other decision-making, and is monitored by the board through the audit function.

Anti-Harassment Policy

The Anti-Harassment Policy provides that the Company employees and contractors have a responsibility to use best endeavours to avoid conducting themselves in a manner that may be construed as harassment (which includes bullying) and if they feel they are being harassed report that harassment to their manager or General Counsel. The Policy sets out some options for dealing with harassment.

Remuneration and Performance Appraisal Policy

The Company aims to attract, retain and motivate professional staff capable of achieving the goals of the Company. The Company wants to encourage and reward its staff fairly and appropriately within the market to reflect performance and contribution. The remuneration policy provides a process that is undertaken to assess the competitiveness of remuneration.

At the 2008 Company Annual Meeting, shareholders approved a resolution that director's fees be set at a maximum of $600,000 per annum, being the combined total for all non-executive directors. There has been no increase in the fee level since 2008. Certain directors are also participants in the Company's Employee Share Ownership Plan as detailed in this Annual Report, but directors otherwise do not receive any performance based remuneration.

The Nomination and Remuneration Committee is responsible for receiving and making recommendations on remuneration policies for the chief executive and senior executives based on assessment of relevant market conditions and linking remuneration to the Company's financial and operational performance.

Executive remuneration may comprise salary, short-term incentive payments and share participation in accordance with the Company's Employee Share Ownership Plan (as approved by shareholders).

A performance evaluation of senior executives is performed annually by the chief executive and reviewed by the committee at the end of each financial year. Evaluations and reviews in accordance with this process, were undertaken in the reporting year, and have also been undertaken in respect of the reporting year.

Drugs and Alcohol Policy

The Drug and Alcohol Policy provides that any person impaired by the use of alcohol, controlled substances or drugs is prohibited from entering the Company's facilities, engaging in Company business or operating Company equipment.

Recognising and Managing Risk

The Company has a risk management system framework, which outlines the Company's approach to risk management. It provides a framework on how to apply consistent and comprehensive risk management practices across all functional areas of the Company's business.*

A central Company risk register, which considers the risks, reviews the controls, assigns ownership of a risk and tracks treatment plans, is maintained. An overview of key risks is included in the monthly Operations Report provided to Directors. Risk assurance is provided through a prioritised programme of audits and internal review.

The board's accountabilities include overseeing the effectiveness of the risk management system framework, monitoring compliance and approving polices and systems for the ongoing identification and management of risks. The board's responsibilities include reviewing and approving policies required to implement the system, approving the Company's risk capacity and appetite, reviewing material risks and reviewing the risk register. The board allocates oversight of risk management in relation to health, safety and environment and company operations to the HSE and Operational Risk Committee and oversight in relation to accounting standards and principles, financial statement compliance and reliability and the audit process to the Audit Committee.

Responsibility for identifying, documenting and managing risks and opportunities is delegated to the appropriate level of management. The Chief Executive is responsible for such things as integrating risk management into core business processes, managing the Company's corporate strategic risks and opportunities and regularly reviewing the Company's risk profile. The Vice President & General Manager, Exploration and Production has ultimate responsibility to the board for design, development and improvement of the risk management framework system and maintains the Company's risk register.

The Company does not have an internal audit function. The process employed for evaluating and improving the effectiveness of risk management and internal control processes are:

- Risks are formally reviewed by risk owners, and
- Management regularly reviews the risk register to ensure adherence and continuous improvement, and
- The HSE & Operational Risk Committee regularly reviews the risk register, with a particular emphasis on demonstration of ALARP for key risks, as well as the results of HSE audits, and

* The Risk Management System Framework is available on the Company's website at www.nzog.com/investor-information/corporate-governance/

- For specific operational activities (including seismic acquisition campaigns), the board reviews the intended operational activity against activities related to elements of the Company's HSE management framework to ensure a compliant work programme, achieving desired objectives safely.

The HSE and Operational Risk Committee Charter is available on the Company's website at www.nzog.com/investor-information/corporate-governance/

The HSE and Operational Risk Committee typically reviews the Company's risk management system framework at each meeting of the Committee, and at least annually, to satisfy itself that the system continues to be sound. Such a review was undertaken by the HSE and Operational Risk Committee during the reporting period.

The HSE and Operational Risk Committee and Board have reviewed the Risk Management System Framework in the reporting period in respect of the Kaheru and Pateke-4H work programmes. The Company's material exposure to economic, environmental and social sustainability risks are summarised below.

Category	Key Risks	Approach to manage risks
Economic	· Adverse foreign exchange movements; · Significant, sustained decline in oil prices; · Tui abandonment liability; · Gas market availability; · Cost overruns in exploration investment; · Major plant failure; and · JV partner risk.	· Corporate forecasting and sensitivity testing, cash reserves in USD and FX/Oil Hedge Policy - facility driven; · Ongoing engagement with joint venture partners; · Monitor joint venture, regular Technical Committee and Operational Committee Meetings and involvement, robust calculation of abandonment cost; · Gas sales agreement contract in place, seek additional revenue streams; · Budgeting with risk based contingency, tight monitoring of expenditure, maintain cost estimation databases; and · Active involvement in Technical and Operational Committees, track leading integrity indicators. Capital budgeted to maintain and upgrade equipment.
Environmental	· Major plant failure; and · Environmental impact of oil, gas and condensate extraction.	· Active involvement in Technical and Operational Committees, track leading integrity indicators. Capital budgeted to maintain and upgrade equipment; · Comply with applicable environmental laws and regulations, international good practice and industry standards and apply reasonable standards where laws do not exist; and · Regularly review the Company's Environmental Policy, work to minimise pollution and the cumulative environmental impact of our activities (operated and non-operated), and work closely with special interest groups and local community to minimise the impact of oil, gas and condensate exploration, extraction and abandonment.*
Social sustainability	· Social licence, relationships with and an understanding of local communities is required to operate effectively; · Societal environmental impacts; · Localised environmental impacts.	· Community engagement including sponsorship, community panels and consultation around resource, environmental and community concerns through real time communications and online information at www.nzog.com; and, · Raise awareness of stakeholder interests internally.

* The Environmental policy is available on the Company's website at www.nzog.com/investor-information/corporate-governance/

Corporate Governance Best Practice Codes

The Company's compliance with Corporate Governance Best Practice is actively monitored. This includes assessing compliance with the NZX Listing Rules and Corporate Governance Best Practice Code (Appendix 16) (NZX code); and the ASX Listing Rules and ASX Corporate Governance Council Corporate Governance Principles and Recommendations (ASX Recommendations). The Company is compliant with these rules and guidelines except as otherwise noted below.

In relation to code 2.7 of the NZX Code, the Company does not encourage its directors to take part of their remuneration by way of equity. However, directors do participate in the Company's employee share ownership plan to the extent detailed in this Annual Report.

Code 3.11 of the NZX Code recommends that a nominations committee to recommend director appointment to the board should be established. The Company has established a nomination committee, however its roles include, in accordance with the ASX Recommendations, examining the director selection and appointment practices of the Company and the board succession plans, but not recommending appointments to the board. The board as a whole undertakes responsibility for the recruitment and appointment of directors.

The ASX Recommendation 1.3 provides that the Company should have a written agreement with each director and senior executive setting out the terms of their appointment. The Company does not enter into such agreements as a matter of practice, but instead, as a minimum, has entered into Disclosure Agreements and Deeds of Indemnity with each Director and Individual Employment Agreements with each senior executive.

The ASX Recommendations, at Recommendation 4.2, provide that the board should, before it approves the financial statements, receive from the Chief Executive and the Chief Financial Officer a declaration in accordance with Section 295A of the Corporations Acts (Australia) (which requires a declaration that the financial records have been properly maintained, comply with accounting standards and give a true and fair view of the financial position and performance of the Company). The Company's Chief Executive and Chief Financial Officer do not provide that declaration because the Corporations Act (Australia) does not apply and so the Chief Executive and Chief Financial Officer do not have to provide the declaration in accordance with Section 295A of that Act. However, as part of the financial statement preparation process undertaken every six months, the Company's Chief Executive and Chief Financial Officer provides to the board a management representation letter. It includes key representations that in essence cover the same topics as the Section 295A Corporations Act declaration.

In accordance with ASX Listing Rule 4.7.3, at the same time as the Company provides this Annual Report to the ASX, it will lodge a completed Appendix 4G with the ASX. The completed Appendix 4G acts as a checklist of key disclosures within the Corporate Governance Statement of this Annual Report in relation to the ASX Recommendations. The completed Appendix 4G can also be found on our website at www.nzog.com/investor-information/corporate-governance.

Shareholder Information

Stock Exchange Listing

The Company's securities are listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

Securities On Issue

As at 26 August 2015 New Zealand Oil & Gas Limited had the following securities:

Listed Ordinary Shares:	Unlisted Partly Paid Shares:
338,029,482	7,835,000
13,262 holders	25 holders

Top 20 Shareholders

Top 20 registered holders of Listed Ordinary Shares as at 26 August 2015

	Name	Shares Held	% of issued Capital
1	JPMorgan Chase Bank NA NZ Branch - NZCSD	55,534,553	16.42
2	Citibank Nominees (New Zealand) Limited - NZCSD	13,537,859	4.00
3	New Zealand Superannuation Fund Nominees Limited – NZCSD	10,306,164	3.04
4	National Nominees New Zealand Limited - NZCSD	9,761,030	2.88
5	HSBC Nominees (New Zealand) Limited - NZCSD	9,161,730	2.7
6	Leveraged Equities Finance Limited	8,971,860	2.65
7	Resources Trust Limited	8,378,346	2.47
8	BNP Paribas Nominees (NZ) Limited - NZCSD	4,771,747	1.41
9	Accident Compensation Corporation – NZCSD	4,666,091	1.38
10	HSBC Nominees (New Zealand) Limited A/C State Street - NZCSD	4,338,516	1.28
11	Sik-On Chow	4,280,000	1.26
12	Resource Nominees Limited	3,731,329	1.1
13	FNZ Custodians Limited	3,689,305	1.09
14	Citicorp Nominees PTY Limited	3,363,304	0.99
15	Riuo Hauraki Limited	3,200,000	0.94
16	Custodial Services Limited	2,685,360	0.79
17	Custodial Services Limited	2,077,834	0.61
18	Chung King Tan	1,627,200	0.48
19	ASB Nominees Limited	1,604,712	0.47
20	ASB Nominees Limited	1,600,000	0.47

In the above table the holdings of New Zealand Central Securities Depository Limited have been reallocated to the applicable holder.

Substantial Shareholders

Substantial Product Holding Notices are received pursuant to the Financial Markets Conduct Act 2013. Shareholders are required to disclose their holding to the issuer and the issuer's registered exchanges when:

- they have a substantial holding (5% or more of the listed voting securities);
- subsequent movements of 1% or more in a substantial holding from prior notification;
- any change is made in the nature of any relevant interest in the substantial holding; and
- they cease to have a substantial holding.

The following Substantial Product Holding Notices were received since the date of the last Annual Report, in respect of holdings of ordinary shares of New Zealand Oil & Gas Limited:

Date	Shareholder	Shares Held	% of Issued Capital
8 September 2014	Zeta Energy Pte Ltd	76,261,118	18.33
2 October 2014	Zeta Energy Pte Ltd	82,230,147	19.53
9 December 2014	Zeta Energy Pte Ltd	83,678,288	19.87

As at 26 August 2015 there were no other substantial product holders with 5% or more of the Ordinary Shares (JPMorgan Chase Bank NA NZ Branch are above 5% but hold the shares on behalf of a number of beneficial shareholders).

Distribution of Security Holders

As at 26 August 2015

Number of Shares	Holders of Listed Ordinary Shares	Holding Quantity of listed Ordinary Shares %	Holders of Unlisted Partly Paid Shares	Holding Quantity of Unlisted Partly Paid Shares %
1 to 99	191	0%		
100 to 199	72	0%		
200 to 499	1010	0.12%		
500 to 999	1789	0.39%		
1,000 to 1,999	2050	0.86%		
2,000 to 4,999	2949	2.87%		
5,000 to 9,999	2018	4.3%		
10,000 to 49,999	2540	15.68%	5	2%
50,000 to 99,999	337	6.87%	5	5%
100,000 to 499,999	253	14.51%	12	41%
500,000 to 999,999	25	5.02%	2	13%
1,000,000 to 999,999,999	28	49.37%	1	38%
Total	**13,262**	**100%**	**25**	**100%**

On 26 August 2015 there were 3,062 holders with less than a minimum holding of shares as determined by the NZX (under 1,000 shares), and 3,932 holders with less than a marketable parcel as determined by the ASX (under A$500 in value).

Voting Rights

Article 16 of the Company's Constitution states that a shareholder may exercise the right to vote at a meeting of shareholders either in person or through a representative. Where voting is by show of hands or by voice every shareholder present in person or by representative has one vote. In a poll every shareholder present in person or by representative has one vote for each fully paid share and, in respect of partly paid shares, each part paid share carries only a fraction of the vote equivalent to the proportion of the share paid. Unless the board determines otherwise, shareholders may not exercise the right to vote at a meeting by casting postal votes. The board has determined, for the purpose of the 2015 Annual Meeting, that postal voting will be permitted.

Trading Statistics

For the 12 months ended 30 June 2015	High	Low	Volume
NZX (Trading Code NZO)	0.79	0.54	125,019,539
ASX (Trading Code NZO)	0.74	0.48	5,501,234

Share Buy-backs

There was not an on-market buy-back scheme in operation during the reporting period. On 28 August 2015, shareholders approved a buy back scheme that authorises the board to buy back up to 64 million shares at any time during a four year period.

Capital Return

A Special Meeting of Shareholders was held on Friday, 19 December 2014 to vote on a proposed capital return to shareholders. The resolution was passed and the Company cancelled 1 in every 5 ordinary shares with holders on the record date of 13 February 2015. The Company paid NZ$0.75 per ordinary share cancelled. Payments to shareholders were made within five business days from the record date. In total, shareholders received approximately NZ$63.2 million.

Dividend Payments and Reinvestment Plan Dividend Payments.

Dividend Payments

The Company paid an unimputed final dividend for the 2014 year of 3 cents per share on 26 September 2014 to shareholders on record at 12 September 2014. No further dividend payments have been made during the financial year.

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (Plan) remains in operation for shareholders resident in New Zealand and Australia. These shareholders can choose to invest all or part of their future dividends in taking up additional shares, instead of receiving cash. New shares issued under the Plan will be offered at the weighted average sale price for shares sold on each of the first five business days immediately following the dividend record date. Full Terms and Conditions of the Plan and the Participation Notice are available on the Company's website at www.nzog.com/drp.

Direct Crediting of Dividends Payments

To minimise the risk of fraud and misplacement of dividend cheques shareholders are strongly recommended to have all payments made by way of direct credit to their nominated New Zealand or Australian bank account. This can be done by simply giving the share registry written notice.

Share Registries

Details of the Company's share registries are given in the corporate directory on the inside back cover of this report. Shareholders with enquiries about share transactions, changes of address or dividend payments should contact the share registry in the country in which their shares are registered.

Directors' Remuneration

The total remuneration and other benefits to Directors for services in all capacities during the year ended 30 June 2015 was:

Mr P W Griffiths	$160,000
Dr Archer**	$76,842
Mr R J Finlay	$80,000
Mr P G Foley***	$24,157
Mr A T N Knight*	$704,010
Mr R Ritchie	$80,000
Mr D Saville**	$45,842
Mr D R Scoffham***	$24,157
Mr M Tume	$80,000

* Managing Director - includes remuneration received as Chief Executive.

** For the period from 4 November 2014.

*** Mr Foley and Mr Scoffham ceased to be directors on 4 November 2014.

Directors' Securities Interests

The interests of Directors in securities of the Company at 30 June 2015 were:

	Direct Interest	Indirect Interest
Mr P W Griffiths	52,224*	150,000 partly paid shares
Mr A T N Knight	29,600*	3,000,000 partly paid shares
Mr D Saville		66,942,296**

* All directly held ordinary shares were reduced as a result of the Company's Capital Return scheme in February 2015.

** 54,207,553 ordinary shares held by Zeta Energy Pte Ltd (a company Mr Saville is a Director of), 5,819,591 ordinary shares held by Bermuda Commercial Bank Ltd and 6,915,152 ordinary shares held by Utilico Investments Ltd. Mr Saville has a material indirect interest in the shares held by these companies though an indirect shareholding in Utilico Investments Ltd (which is the indirect controlling shareholder of Zeta Energy Pte Ltd) and Somers Ltd (which owns 100% of Bermuda Commercial Bank Ltd). Mr Saville is also the shareholder and a Director of ICM Ltd which is the investment adviser to or the portfolio manager of Zeta Energy Pte Ltd, Bermuda Commercial Bank Ltd and Utilico Investment Ltd.

Directors' Interests Register

Directors' interests recorded in the Interests Register of the Company as at 30 June 2015 are detailed below. Notices given or adjusted during the financial year ended 30 June 2015 are marked with an asterisk (*). Each such Director will be regarded as interested in all transactions between the Company and the disclosed entity.

Mr P W Griffiths	
Civil Aviation Authority	Deputy Chairman
Marsden Maritime Holdings Ltd*	Director
New Zealand Diving & Salvage Ltd	Director and Shareholder
Z Energy Ltd	Chairman
Dr R Archer*	
Capricorn Solutions Ltd*	Director
Mr R J Finlay	
Mundane Asset Management	Chairman
Moeraki Ltd	Director
Rural Equities Ltd	Deputy Chairman, Chair of Audit Committee, and Shareholder
Mr A T Knight	
Petroleum Exploration and Production Association of New Zealand	Deputy Chairman
Gas Industry Company Ltd	Director
Sea Group Holdings Ltd	Director and Shareholder
Taranaki Iwi Holdings Management Ltd*	Director
Mr R Ritchie	
NIL	
Mr D Saville*	
Zeta Energy Pte Ltd*~	Director
ICM Ltd*°	Chairman and Shareholder
HRL Morrison & Co Ltd*	Director
Infratil Ltd (and related subsidiaries)*^	Director
Mr M Tume	
Yeo Family Trustee Ltd	Director
Long Board Ltd	Director
Welltest Ltd	Director
Guardians of New Zealand Superannuation	Member of the Board
New Zealand Refining Company Ltd	Director
Koau Capital Partners Ltd	Director
Maori Trustee	Member of the Advisory Board
Infratil Ltd (and related subsidiaries)^	Chairman and Shareholder
Align	Advisory Board Member
RA 2014 Pty Ltd*	Director
RA (Holdings) 2014 Pty Ltd*	Director
Rearden Capital Pty Ltd	Director

^ Infratil Limited holds 51% of Trust Power Limited.

~ Zeta Energy Pte holds approximately 46.452% of Pan Pacific Petroleum and an interest in Seacrest L.P.

° ICM is the fund manager/investment adviser to Zeta Energy, Utilico Investments and Bermuda Commercial Bank.

Employees Remuneration

During the year ended 30 June 2015, 21 employees (excluding the Chief Executive) received individual remuneration over $100,000.

$100,001 – $110,000	2
$110,001 – $120,000	1
$130,001 – $140,000	3
$150,001 – $160,000	1
$160,001 – $170,000	1
$180,001 – $190,000	1
$190,001 - $200,000	1
$210,001 - $220,000	2
$220,001 - $230,000	1
$231,000 - $241,000	1
$310,001 - $320,000	1
$350,001 - $360,000	1
$400,001 – $410,000	1
$410,001 – $420,000	1
$450,001 - $460,000	1
$500,001 - $510,00	1
$520,001 – $530,000	1

Officers Securities Interests

The interests of the current Company Officers (excluding the Chief Executive) in securities of the Company at 30 June 2015 were:

- Ralph Noldan in respect of 16,567 ordinary shares and 467,000 unlisted partly paid shares;
- John Bay in respect of 48,000 ordinary shares and 533,000 unlisted partly paid shares;
- Andrew Jefferies in respect of 800 ordinary shares and 507,000 unlisted partly paid shares;
- Andre Gaylard in respect of 467,000 unlisted partly paid shares; and
- John Pagani in respect of 355,000 unlisted partly paid shares.

Donations

There were no donations during the year.

Directors' and Officers' Liability Insurance

The Company and its subsidiaries have arranged policies of directors' and officers' liability insurance, which, together with a deed of indemnity, seek to ensure to the extent permitted by law that directors and officers will incur no monetary loss as a result of actions legitimately taken by them as directors and officers.

Global Reporting Initiative Index

This report contains standard disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G4).

GRI guidelines generate a standardised method of reporting impacts on the environment, society and the economy so that investors can assess opportunities and risks and enable more informed decision-making – both within the business and among its stakeholders. More information about the guidelines can be found at https://www.global reporting.org/standards/Pages/default.aspx

G4 General Standard Disclosure

Strategy and Analysis

G4-1 CEO statement regarding sustainability
New Zealand Oil & Gas is committed to being socially and environmentally responsible. Our values are at the core of everything we do. This year's annual report includes, for the first time, metrics reporting our environmental and social performance alongside our financial performance.

Our stakeholders are increasingly seeking information around wider sustainability matters relating to our business. International and domestic investors have specifically told us they expect companies to report on these issues.

We are responding to these expectations by increasing our work in the community to grow understanding about our activities and to introduce to the Company a range of perspectives about the Company's social responsiblities and sustainability.

This dialogue is shown in our reporting about environmental and social aspects of our business. By referencing the Global Reporting Initiative (GRI) guidelines the Company demonstrates how it is responding to stakeholder expectations and reporting across a wider range of measures.

In addition to increased transparency, the Company is engaging directly with our communities.

Community panels established by the Company bring together representatives from the communities where we operate to enable us to understand more about community expectations.

We sign relationship agreements with iwi and runanga (Maori) organisations as well as a wide range of community stakeholder groups whose interests run from environment, to social, to business. These agreements facilitiate regular, and often face-to-face communication.

One of our core values is to respect the laws, customs and values of the communities where we are active.

In New Zealand our industry is regulated by a world-class environmental framework. Both the Resource Management Act 1991 and the legislation administered by the recently created Environmental Protection Authority have incorporated the precautionary principle.

An example of how we implement this principle and our own values was demonstrated last year when the Company was granted a consent to drill the Kaheru exploration well after working closely with local iwi and the Regional Council under the Resource Management Act framework.

In terms of our own people, we have increased our focus on diversity issues and have commissioned a review of our workplace family friendly policy. We have also continued a focus on workplace safety and employee wellbeing.

We are receiving positive feedback for our transparent approach. Our community is telling us it's helping to build trust and understanding. The reporting contained in this document helps to further increase transparency and we welcome feedback on further ways to improve.

More information about these initiatives is available at www.nzog.com.

During the 2014-15 financial year, New Zealand Oil & Gas acquired a 48.11 per cent interest in Cue Energy. While financial performance reported in this Annual Report consolidates Cue's financial performance, the GRI reporting on pages 69-77 excludes Cue's performance.

Organisational Profile

GRI Reference	Page in Annual Report
G4-3 Name of reporting organisation	Page 29, Note 1. Group at Page 38
G4-4 Primary brands, products or services	Pages 14-17
G4-5 Location of the organisation's headquarters	Page 78
G4-6 Countries in which the organisation operates	New Zealand, Indonesia, Australia, United States
G4-7 Nature of ownership and legal form	Page 38
G4-8 Nature of markets served	Pages 20-22, 30
G4-9 Scale of the reporting organisation	Pages 2-3, 23-24
G4-10 Employee statistics	Page 59
G4-11 Percentage of total employees covered by collective bargaining agreements	Nil
G4-12 The organisation's supply chain	Most of the Company's revenue is derived from non-operated investment in oil and gas production Its material supply activities include business services for its head office with around 280 supplies from approximately 10 different countries For its operated exploration interests: seismic survey acquisition and interpretation services, drilling equipment and services (no report for during 2014-15)
G4-13 Significant changes in size, structure or ownership	The Company's largest shareholder increased its holding to 19.87% of the Company's shares. Page 66 The Company returned $63.2 million of capital to shareholders. Page 65 The Company acquired a controlling 48.11% interest in Cue Energy Resources Limited The Company sold a 15% interest in Pan Pacific Petroleum NL
G4-14 Precautionary approach or principle	Precautionary principle is incorporated into the principles of New Zealand's regulatory framework. See CEO statement above. Page 69
G4-15 Extend charters, principles and initiatives	The Company adheres to ASX and NZX Corporate Governance Principles. Pages 51-62 The Company completes the Carbon Disclosure Project
G4-16 Association or advocacy organisation memberships	Pepanz, Business New Zealand Major Companies Group, Business Energy Council, Asean-NZ Business Council, Gas Industry Company

Stakeholder Engagement

GRI Reference	Page in Annual Report
G4–24 List stakeholder groups	Pages 72-74
G4-25 Basis for identification and selection of stakeholders	
G4-26 Organisation's approach to stakeholder engagement	
G4-27 Key stakeholder topics and concerns and the organisation's responses	

We engage with external stakeholders in three main ways: Through community panels, through relationship agreements and through engagement on specific activities around our permits and projects. As much as possible we try to engage with our stakeholders kanohi ki te kanohi (face to face). (as on page 69)

We identify stakeholders and their interests through ongoing issues assessment, considering the extent to which our activities affect their interests. Where we can we adapt our 'business as usual' to address stakeholder concerns effectively. In particular the way we engage varies depending on stakeholder needs.

Issues commonly raised through consultation include:

- Community investment and sponsorship, including how the benefits of local activity contribute back to the local and national level;
- Transparency and process, such as questioning the regulatory process, how it fits with international practice, and how information is shared; and
- Potential environmental impacts, such as effects of seismic survey on marine life.

We continually review and evolve how we engage and respond to our communities, learning from experience how to best work together.

Stakeholder	Key interests and concerns	Our Response	Engagement Method
General community	How benefits of industry and activities are realised locally Social impacts Societal environmental impacts (eg climate change) Localised environmental impacts Transparency and honest engagement and communication	Establish South Taranaki and Southern Region Community Panels Update nzog.com with information sheets, Q&As Raise awareness of stakeholder interests internally Membership of organisations that facilitate community understanding and awareness, such as Business NZ and Pepanz	Community Panel Actively seek opportunities to participate in wider community-facing events, such as meetings of community groups Newsletters Dedicated Community Engagement staff Regular meetings Website Community investment Information sheets (eg Q&As)
Maori	Direct engagement kanohi ki te kanohi Recognition and demonstration of kaitiaki role Open and honest engagement How benefits of industry and activities are realised locally Environmental impacts Potential commercial interests	Recognise long term direct relationships through Relationship Agreements. Deliver on Relationship Agreements through regular hui/meetings Concurrently offer involvement in Community Panels	Relationship Agreement Newsletters Dedicated Community Engagement staff Regular hui/meetings Support for Iwi Marine Mammal Observer training programme Raise awareness and understanding of iwi engagement internally
Environmental groups and other non-govt organisations	Social impacts Societal environmental impacts (eg climate change) Localised environmental impacts	Relationship Agreements signed with Environmental groups Encourage environmental perspectives on Community Panel through dedicated representation Develop information resources and agree key positions internally	Representation on Community Panel Actively seek face-to-face discussion and opportunities to build understanding Community investment Website Information sheets (eg Q&As)

Stakeholder	Key interests and concerns	Our Response	Engagement Method
Shareholders	Shareholder value and return on investment Commercial and operational performance Robust commercial strategy to achieve shareholder value Reputational risk based on strong corporate responsibility approach Transparent, honest and regular reporting and communication	Investor relations outreach programme Regular shareholder briefings, with a regional focus Transparent reporting and open, two-way communication channels Commitment to good corporate practice through: Regularly reviewed and updated governance and management policies, health safety and environmental policies, and financial policies	Continuous disclosure of material information Investor presentations and regular formal reporting Actively promote participation in shareholder meetings Up to date company website presenting real time information Online access to company updates and email communications with the company Archived investor presentations and audio webcasts available on the Company's website
Investors (Lenders)	Financial performance Clean credit rating and ability to meet interest and principal obligations on debt Robust commercial strategy Reputational risk based on strong corporate responsibility approach	Robust commercial strategy to achieve sustained cash flows and growth Transparent reporting and open, two-way communication channels Strong adherence to corporate responsibility, and focus on good health, safety, financial and environmental practices	Continuous disclosure of material information Annual, interim, quarterly and shareholder reports Shareholder and community meetings coinciding with result announcements and new operational activities Up to date company website presenting real time information Online access to company updates and email communications with the company Archived investor presentations and audio webcasts available on the company's website
Employees	Employer promoting employee wellbeing Employer delivering on its stated values	Health and safety focus at Head Office and influencing joint ventures Employee wellbeing program Workplace flexibility review	Individual employee performance review and development plan processes Regular HSE meetings with feedback loops Diversity Committee

Stakeholder	Key interests and concerns	Our Response	Engagement Method
Local Government	Regulatory compliance Environmental and community relations compliance Transparent, honest and time-appropriate communication	Consultation for regulatory approvals for our operated permits	Permit consultation meetings Regulatory approvals process
Government (our regulators)	Regulatory compliance Environmental and community relations best practice Commercial and operational performance	Relationships with key regulators Meeting regulatory and other reporting requirements Awareness of regulatory and geopolitical risk	Regular meetings Participation in working groups such as Department of Conservation review of Seismic Survey Code of Conduct Participation in Pepanz, Business NZ, Business Energy Council, Asean-NZ Business Council, Gas Industry Council Professional regulatory and political issues monitoring
Industry - joint venture partners	Robust commercial strategy Technical and operational capabilities Reputational risk based on strong corporate responsibility approach Transparent, honest and regular communication	Regular CEO and technical committee meetings Site inspections Regular meetings and communication on New Zealand investment parameters	Active oversight of non-operated assets Regular meetings Website Cultural training for staff
Industry bodies (Pepanz, Business NZ, Asean-NZ Business Council, Business Energy Council, Gas Industry Company)	Industry working co-operatively Issues presented constructively to regulators Wider community concerns and interest group views addressed constructively	Support for Iwi Marine Mammal Observer training programme led by Pepanz Collaborate on industry submission to South East Marine Protection Forum Collaborate on Pepanz led involvement in DoC review of Code of Conduct (for Seismic Surveys) Support for Business NZ's BEC2050 Energy Outlook study	Regular meetings Participation in industry led projects Involvement in networking events Information sharing to promote best practice

Report Profile

GRI Reference	Page in Annual Report
G4-15 External charters, principles and initiatives	We adhere to ASX and NZX Corporate Governance Principles except where indicated on pages 51-62. We complete the Carbon Disclosure Project
G4-28 Reporting period	Front cover
G4-29 Date of most recent report	September 2014
G4-30 Reporting cycle (annual, biennial etc)	Annual
G4-31 Contact point for questions regarding the report	enquiries@nzog.com +64 4 495 2422
G4-32 GRI content index and 'in accordance' option	This table
G4-33 External assurance policy and practice	New Zealand Oil & Gas considers this report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 guidelines. This is the company's first report of its performance against the guidelines. External assurance has not been sought for this report

Governance

GRI Reference	Page in Annual Report
G4-34 Governance structure of the organisation	Corporate Governance Statement, pages 51-62
G4-36 Executive level positions with responsibilities for economic, environmental and social topics, reporting to highest governance body	Corporate Governance Statement – Board Committees https://www.nzog.com/investor-information/corporate-governance/ https://www.nzog.com/our-story/meet-our-explorers/
G4-37 Process for consultation between stakeholders and highest governance body on economic, environmental and social topics	Stakeholder Engagement, pages 71-74
G4-38 composition of the highest governance body (Board) and its committees	Corporate Governance Statement, pages 51-62
G4-39 Whether the Chair of the highest governing body is also an executive officer	Corporate Governance Statement, pages 51-62

Ethics and Integrity

GRI Reference	Page in Annual Report
G4-56 Description of the organisation's values, principles, standards and norms of behaviour	https://www.nzog.com/our-story/our-values/ Code of Business Conduct and Ethics https://www.nzog.com/dmsdocument/10, page 57
G4-58 Internal and external mechanisms for reporting concerns relating to organisational integrity	Protected Disclosures Policy (Whistle Blower) page 59 https://www.nzog.com/dmsdocument/94

Material Issues

Aspect	GRI Reference	Indicator Detail	Page/link/quantum
Economic Performance			
	G4-EC1	Direct economic value generated and distributed	Pages 23, 65
	G4-EC2	Financial implications and other risks and opportunities due to Climate Change	Carbon emission charges are considered as part of total value assessments Carbon Disclosure Project report available (email enquiries@nzog.com)
	G4-EC4	Financial assistance received from Government (tax relief, credits, subsidies, grants etc)	Nil
	OG 1	Volume and type of estimated Proved Reserves and Production	Production - Page 11 Reserves - Pages 16-17
Environment Performance			
Energy	OG2	Total amount invested in renewable energy	N/A
Emissions, Effluents and Waste	EN 16 G4-EN15	Direct and indirect greenhouse gas emissions by weight	The Company has completed the Carbon Disclosure Project. Total gross global Scope 1 emissions = 23,730 metric tonnes CO_2e The report can be requested by email enquiries@nzog.com
	EN 23 G4- EN24	Total number and volume of significant spills	No oil spills
	OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	Significant assessment of benthic and coastal ecology impacts as part of exploration drill resource consent obtained for Kaheru-1. The report can be requested by email enquiries@nzog.com

Aspect	GRI Reference	Indicator Detail	Page/link/quantum
Social/Human Rights/Indigenous Rights	OG9	Operations where Indigenous communities are present or affected by activities and where specific engagement strategies are in place	Maori, New Zealand's indigenous peoples, have a kaitiaki/guardian and stewardship role in, and therefore have an interest in, all our regions of operation. We engage directly and regularly with iwi, hapu and runanga (indigenous groupings). The majority of this engagement is undertaken within the framework of a Relationship Agreement between the two parties
	OG 10	Number and description of significant disputes with Local Communities and Indigenous Peoples	We are guided by our Community Engagement policy (available at nzog.com). No disputes or complaints were received
Occupational Health and Safety	G4-LA5	Type of injury and rates of injury, lost days, absenteeism and total number of work related fatalities by region and gender	No injuries sustained for operated activities. One restricted work case recorded at a joint venture operated site (contractor ankle injury). Zero work related fatalities.

Corporate Directory

Directors

Peter Griffiths,
Chairman

Dr Rosalind Archer

Rodger Finlay

Andrew Knight,
Chief Executive

Roderick Ritchie

Duncan Saville

Mark Tume

Management

Andrew Knight,
Chief Executive

Andre Gaylard,
Chief Financial Officer

Andrew Jefferies,
Vice President & General Manager, Exploration and Production

Dr Chris McKeown,
General Manger South East Asia

Ralph Noldan,
General Counsel and Company Secretary

John Pagani,
External Relations Manager

Michael Wright,
Commercial Manager

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Manage your shareholding online

To change your address, update your payment instructions and to view your registered details including transactions, please visit:

www.investorcentre.com/nz

General enquiries can be directed to:
enquiry@computershare.co.nz

Please assist our registry by quoting your CSN or shareholder number when making enquiries.

THE EXPLORERS
NEW ZEALAND OIL & GAS