

**QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS**  
**NEW ZEALAND OIL & GAS LIMITED**  
For Quarter ended 30 June 2016

Quarterly Report of Consolidated Cash Flows prepared in accordance with NZSX Listing Rule 10.10.4. These figures are based on accounts which are unaudited. All figures are in New Zealand dollars. The Company has a formally constituted Audit Committee of the Board of Directors.

NZSX Ref	Notes	Current Quarter Jun-16 \$NZ'000	Year to Date (12 months) \$NZ'000
	<b>Cash Flows Relating to Operating Activities</b>		
1(a)	Receipts from product sales and related debtors	31,299	136,840
1(b)	Payments for		
	(a) exploration and evaluation	(3,814)	(23,466)
	(b) development	(2,963)	(11,925)
	(c) production	(11,408)	(43,729)
	(d) administration	(3,955)	(21,196)
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	103	649
1(e)	Interest and other costs of finance paid	-	-
1(f)	Income taxes (paid)/received	(2,339)	(11,827)
1(g)	Royalties	(155)	(6,350)
1(h)	Other	224	224
1(i)	<b>Net Operating Cash Flows</b>	<b>6,992</b>	<b>19,220</b>
	<b>Cash Flows Related to Investing Activities</b>		
2(a)	Cash paid for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
2(b)	Cash proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
2(c)	Loans to other entities	-	-
2(d)	Loans repaid by other related entities	-	-
2(e)	Other	-	-
2(f)	<b>Net Investing Cash Flows</b>	<b>-</b>	<b>-</b>
	<b>Total Operating and Investing Cash Flows</b>	<b>6,992</b>	<b>19,220</b>
	<b>Cash Flows Related to Financing Activities</b>		
3(a)(i)	Cash proceeds from issue of NZOG shares	-	78
3(a)(ii)	Buyback of NZOG shares	(1,046)	(1,046)
3(b)	Proceeds from sale of forfeited shares	-	-
3(c)	Borrowings	-	-
3(d)	Repayment of borrowings	-	-
3(e)	Dividends paid	-	-
3(f)	Other	-	(77)
3(g)	<b>Net Financing Cash Flows</b>	<b>(1,046)</b>	<b>(1,045)</b>
4(a)	<b>Net Increase/(Decrease) in Cash Held</b>	<b>5,946</b>	<b>18,175</b>
4(b)	Cash at beginning of quarter/year	93,373	83,659
4(c)	Exchange rate adjustments to Items 4(b) above	(2,508)	(5,023)
4(d)	<b>Cash at End of Quarter</b>	<b>96,811</b>	<b>96,811</b>

Notes:

This report is for the New Zealand Oil & Gas consolidated group at 30 June 2016.

# New Zealand Oil Gas Limited

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### Non-Cash Financing and Investing Activities

- 5(a) Provide details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 5(b) Provide details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

### 6 Financing Facilities Available

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

	Notes	Amount Available \$ million	Amount Used \$ million
None		N/A	N/A

**Notes:**

### 7 Estimated Outlays for Specified Quarter

	Notes	Current Quarter \$NZ'000	Following Quarter \$NZ'000
Exploration and evaluation		3,319	2,698
Development	1	3,622	1,429
<b>Total</b>		<b>6,941</b>	<b>4,128</b>

The outlays to be shown in this column are the estimates made for this quarter in the previous quarterly report. When these estimates differ by more than 15% from the actual outlays reported in Item 1(b) of this report, provide an explanation of the reason(s) for these differences as an attachment to this report.

**Notes:**

1. Timing and lower costs than budget

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8 **Reconciliation of Cash**

For the purposes of this statement of cashflows, cash includes:  
bank bills, cash on hand and at bank, short term deposits and government stock less any overdraft.

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:	Current Quarter \$NZ'000	Previous Quarter \$NZ'000
Cash on hand and at bank	36,674	34,703
Deposits at call, term and bank bills	52,791	49,843
Bank overdraft	-	-
Other – Joint venture cash	7,347	8,827
<b>Total: Cash at End of Quarter (Item 4(d)/4(b))</b>	<b>96,811</b>	<b>93,373</b>

The above cash at end of quarter includes cash held in the following material currencies:	Current Quarter '000	Previous Quarter '000
New Zealand Dollars	NZD 10,026	NZD 6,292
United States Dollars	USD 56,786	USD 51,763
Australian Dollars	AUD 622	AUD 353
Indonesian Rupiah	IDR 1,264,547	IDR 498,377

9 **Changes in Interests in Mining Tenements**

Note	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter %	Interest at End of Quarter%
9(a)	PEP 52181 (Kaheru)	Exploration	35	0
9(b)				

Interests in mining tenements relinquished, reduced  
Interests in mining tenements acquired or increased

9(c) The Company's "Petroleum Interests" as at 30 June 2016 are set out below.

**PETROLEUM INTERESTS AT 30 June 2016**

	GROSS AREA SQ KM	DIRECT INTEREST %
<b>1. PETROLEUM MINING PERMITS</b>		
PML 38146 (Kupe field)	257	15
PMP 38158 (Tui field)	467	27.5
Sampang PSC	535	15
PMP 38160 (Maari)	80	5
Pine Mills	8.9	80
<b>2. PETROLEUM EXPLORATION PERMITS</b>		
PEP 51906 (Matuku)	1613	12.5
PEP 52717 (Clipper)	3,423	50
PEP 55792 (Galleon)	1,654	100

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PEP 55793 (Vulcan)	2,418	30
PEP 55794 (Toroa)	9,835	30
Kisaran PSC	2,179	22.5
Bohorok PSC	5,022	45
Palmerah Baru PSC	989	36
MNK Kisaran PSC	2,179	11.25
Mahakam Hilir PSC	222	100
Mahato PSC	5,600	12.5
WA-359-P	645	100
WA-389-P	1,939	40
WA-409-P	565	100
PEP-51313	819	14
PEP-51149	217	20
PEP-54865	2,475	20

10 **Issued and Quoted Securities at End of Current Quarter – 30 June 2016**  
 (NEW ZEALAND OIL & GAS LIMITED ONLY)

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Note	Number Issued	Number Quoted	Value (cents)	Paid-Up Value (cents)
Ordinary Securities	345,512,709	336,006,709	N/A	N/A
Fully paid during quarter	-	-	-	-
Cancelled during quarter	(2,173,909)	-	48.01	48.01
<b>Partly Paid Securities</b> (included in ordinary securities, but not part of quoted ordinary securities)	9,506,000	-	56.8-113.00	1.0
Issued during quarter	-	-	-	-
Fully paid during quarter	-	-	-	-
<b>Options</b>	-	-	-	-
Issued during quarter	-	-	-	-
Exercised during quarter	-	-	-	-
Expired during quarter	-	-	-	-



André Gaylard  
 Chief Financial Officer  
 28 July 2016