

New Zealand Oil & Gas Activities Report

ASX:NZO | NZX:NZO

RESERVES UPGRADE, RENOUNCEABLE RIGHTS OFFER AND LISTING CONVERSION

- Reserves upgrade at Mahato
- Multiple growth projects across New Zealand and Australia
- 1-for-2.7625 renounceable rights offer at NZ\$0.42 cents per share to raise \$25m
- Cornerstone shareholder to take its full entitlement (subject to regulatory restrictions)
- Conversion to full ASX listing in progress

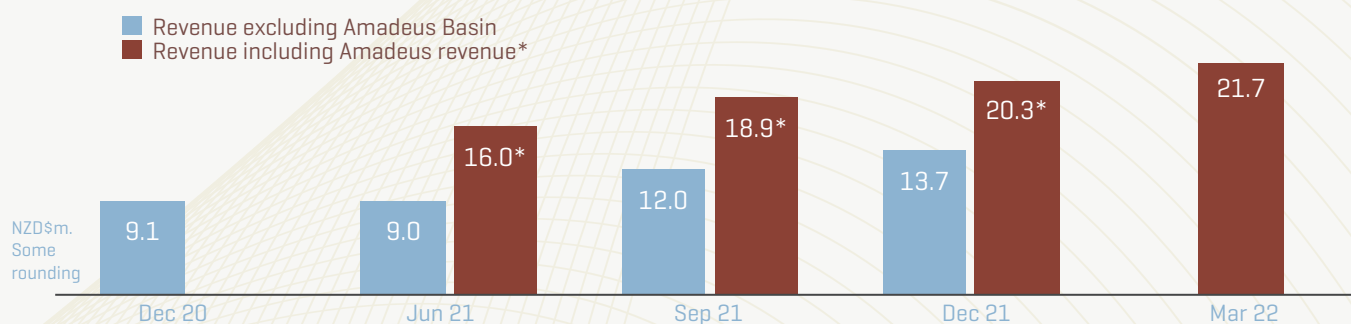
New Zealand Oil & Gas Limited has commenced an equity raising of up to NZ\$25 million through a 1-for-2.7625 renounceable rights offer. The capital raise enables a cycle of investment in growth projects at producing assets in Australia and New Zealand as well as offering the opportunity to take part in exploration.

Growth projects include:

- Investment into growing production at the Amadeus Basin in Australia’s Northern Territory. The Amadeus assets were acquired in 2021, and are already performing ahead of expectations. Development activity in the assets was committed as part of the acquisition, while new exploration activity has the potential to add significant upside value.
- A potential new well at the producing Kupe gas field in New Zealand.
- Support for Cue Energy, in which New Zealand Oil & Gas has a 50.04% interest, if Cue decides to further develop its assets.

More detail about development projects and risks is contained in the investor presentation released to NZX and ASX on 27 April 2022 and at <http://www.nzog.com/investor-information/shareholders-information/renounceable-rights-offer>.

FINANCIAL PERFORMANCE



The Group’s cash balance was NZ\$39.1 million at 31 March 2022, up \$5.6m on prior quarter.

Cash receipts of \$21.7m were received in the quarter, up \$1.3m on the prior quarter, which includes the annual Dingo take or pay settlement. Offsetting this were the timing of Mahato receipts and the Mahato Production Sharing Contract entering into a profit sharing phase with the Indonesian government, reflected in lower production and revenue to Cue.

Receipts were up 189% on the same quarter last year, primarily due to the acquisition of Amadeus assets.

Quarter on quarter, production costs were down \$2.6m due to the

timing of operator cash calls, while development costs were down \$2.1m from with the prior quarter including Mereenie recompletes. Palm Valley drilling costs are expected to be paid next quarter.

*December 2021 Amadeus revenue includes November and December receipts post-completion of the acquisition transaction, and indicative October receipts of \$2.0m received as part of the completion adjustment on 1 Oct 2021. The June and September 2021 quarters include indicative Amadeus revenues. These revenues were passed to the New Zealand Oil & Gas Group as part of the completion adjustment on 1 October 2021.

* See the Disclaimer with the announcement of the reserves upgrade published on the NZX and ASX on 29 March 2022, and available here. Volumes stated include Cue share New Zealand Oil & Gas has a 50.04% interest in Cue

| FIELD | | Total field this quarter [gross] | Our share previous quarter [net] | Our share March 2022 [net] |
|---|--|-------------------------------------|-------------------------------------|----------------------------|
| Kupe Taranaki, New Zealand | Oil Barrels | 162,371 | 7,126 | 6,495 |
| | Gas Petajoules | 6.24 | 0.26 | 0.25 |
| | LPG Tonnes | 25,958 | 1,106 | 1,038 |
| | Production revenue NZ\$m | | 4.0 | 4.4 \wedge |
| Maari* Taranaki, New Zealand | Oil Barrels | 363,406 | 19,785 | 18,170 |
| | Production revenue AUD\$m | | 2.4 | 2.9 \wedge |
| Sampang* Java, Indonesia | Oil Barrels | | 660 | 548 |
| | Gas Petajoules | | 0.37 | 0.32 |
| | Production revenue AU\$m | | 3.2 | 3.2 |
| Mahato* Sumatra, Indonesia | Oil Barrels | | 42,820 | 26,256 |
| | Production revenue AU\$m | | 3.8 | 1.7 \vee |
| Mereenie** Amadeus, NT, Australia | Oil Barrels | 36,500 | 10,183** | 9,125 |
| | Gas Petajoules | 3.01 | 0.74** | 0.75 \wedge |
| Palm Valley** Amadeus, NT, Australia | Gas Petajoules | 0.58 | 0.29** | 0.29 |
| Dingo** Amadeus, NT, Australia | Gas Petajoules | 0.39 | 0.13** | 0.19 \wedge |
| Amadeus Basin** | Production revenue AU\$m. net, indicative | | 6.4** | 8.4 \wedge |
| Total revenue NZ\$m equivalent including indicative Amadeus contribution. | | | 20.3** | 21.7 \wedge |

* Interest held by Cue Energy. New Zealand Oil & Gas has a 50.04% interest in Cue. Cue's full interest is shown.

** Amadeus Basin New Zealand Oil & Gas acquired the Amadeus Basin assets on 1 October 2021, with an effective economic date of 1 July 2020. The values shown in the table include indicative figures attributable to the New Zealand Oil & Gas group for July 2021 to October 2021 that were received as an adjustment to the completion payment. After that date, figures are recognised as revenue. The share indicated is for New Zealand Oil & Gas Group including Cue's full interest.

NORTHERN TERRITORY, AMADEUS BASIN

Mereenie (OL4 & OL5)

17.5% New Zealand Oil & Gas

7.5% Cue Energy Resources*

50% Macquarie Mereenie

25% Central Petroleum (Operator)

Palm Valley (OL3)

35% New Zealand Oil & Gas

15% Cue Energy Resources*

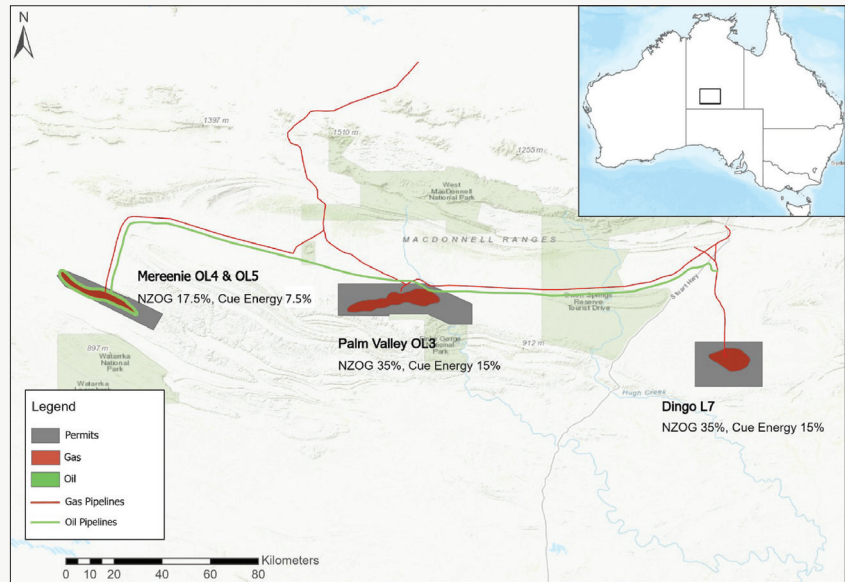
50% Central Petroleum (Operator)

Dingo (L7)

35% New Zealand Oil & Gas

15% Cue Energy Resources*

50% Central Petroleum (Operator)



Production from the Mereenie, Palm Valley and Dingo fields was steady through the quarter. At Mereenie and Palm Valley the decline continued in line with expectations.

Equipment delays to the coiled tubing campaign at Mereenie have meant that the campaign will be conducted through the next quarter.

Gas demand from Dingo was strong through the quarter and the field delivered reliably.

Planning approvals for the Palm Valley 12 exploration (‘Deep’) and appraisal (sidetrack) were finalised. The Ensign 963 rig has been mobilised to the Palm Valley site and rig up commenced ahead of drilling the PV-12 well. The timing of mobilisation to site was affected by the severe flooding recently experienced in Australia. The well was spud on 17 April 2022.

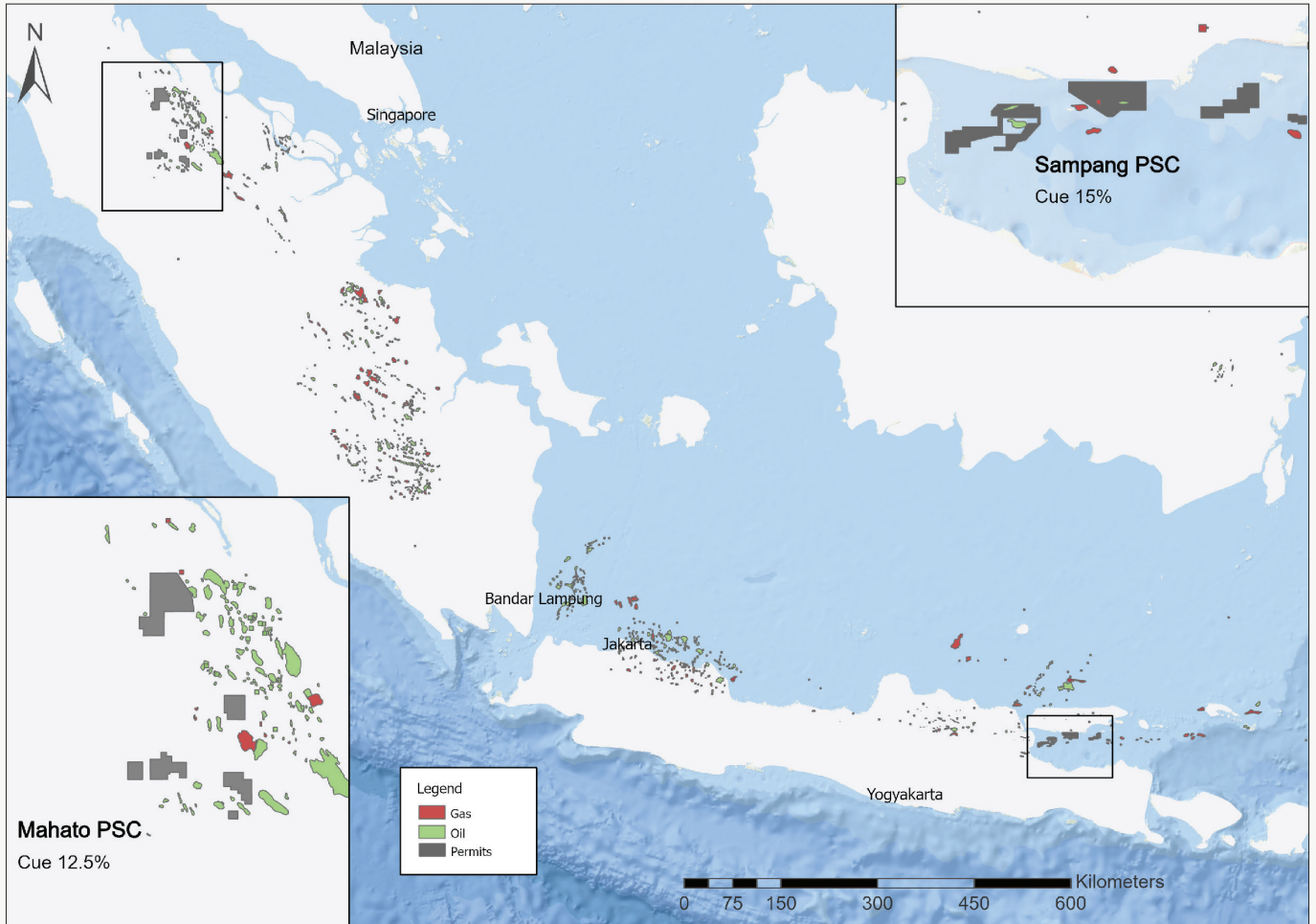
WESTERN AUSTRALIA

WA-389-P

100% Cue Energy Resources* (Operator)

Exploration permit WA-389-P expired in early April and has not been renewed by Cue. Final surrender documentation is currently being prepared.

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Sampang PSC

15% Cue Energy Resources*

Medco Energi Sampang Pty Ltd (Operator)

Gas production from the Sampang PSC continued to perform well, with fluctuations due to demand.

Progress on Paus Biru commercial agreements and approvals required prior to the joint venture making a final investment decision continued to progress with gas buyers and the government. The activities are expected to be completed by mid-2022, with final investment decision to follow.

The joint venture continues to review other opportunities within the PSC, including the historical Jeruk oil discovery.

Mahato PSC

12.5% Cue Energy Resources*

Texcal Mahato EP Ltd (Operator)

At the end of the quarter, PB field production was approximately 4,800 barrels of oil per day. During the quarter, PB-08 and PB-09 wells were drilled and started producing.

Late in the quarter, oil production from the PB-08 well, which is on the flank of the field, declined and was ceased with the well converted to a water injection well. PB-09 was completed as an oil producer in the Bekasap C sand during March and ended the quarter producing 400 bopd.

Cash receipts received during the quarter were \$1.7 million, a reduction on the previous quarter due to revenue being delayed and received after the end of the quarter and repayment of an over-lifting.

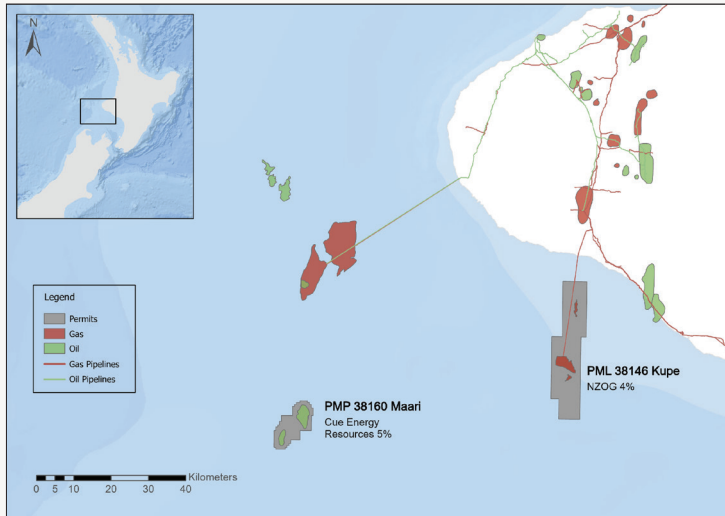
Due to the success of the PB field, costs for the initial development of the field have now been recovered under the Production Sharing Contract (PSC) and a higher portion of production will be allocated to the government of Indonesia.

The operator is seeking government approval to continue development drilling above the previously-expected four more production wells to further develop and increase production from the PB field. PB-10 is the next planned well and is expected to commence during the current quarter.

Planning for further exploration in the PSC is continuing with timing dependent of PB field development drilling.

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TARANAKI

**Kupe oil and gas field [PML 38146]**

4% New Zealand Oil & Gas

50% Beach Energy [Operator]

46% Genesis Energy

Production from the Kupe field continued to be high, with strong gas demand.

Gas sales from Kupe since the inlet compressor was brought on line have been higher than forecast. This has accelerated sales of gas, LPG and condensate in strong markets, resulting in an inability of the field to continually deliver to 77TJ/d.

The operator is investigating further opportunities to accelerate sales, including potential in-well work and drilling the potential KS-9 infill well.

Maari and Manaia oil field [PMP 38160]

5% Cue Energy Resources*

69% OMV New Zealand [Operator]

26% Horizon Oil International

Maari quarterly production was lower than the previous quarter due to a ten day planned maintenance shutdown during February. The shutdown allowed critical tasks to be successfully completed including preparations for the MR6a sand recovery unit.

March production averaged approximately 4500 bopd. One oil lifting and sale was undertaken during the quarter.

MR6a remained shut in for the quarter. Temporary de-sanding equipment to allow the well to flow and assess the cause of the detected sand was installed during the maintenance shutdown and tested subsequent to the end of the quarter. Further assessment will be undertaken during the current quarter.

Regulatory approval processes for Jadestone Energy to acquire 69% operated working interest in Maari from OMV are continuing.

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Quarterly Activities Report, for quarter ended 31 March 2022.

Authorised by Andrew Jefferies, Managing Director.

New Zealand Oil & Gas Limited

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