

UPDATE

NEW ZEALAND OIL & GAS SOUTHERN PANUI

CLIPPER, CANTERBURY BASIN

New Zealand Oil & Gas (Operator) 50%
Beach Energy 50%

Extension to drill-date granted

New Zealand Oil & Gas now has until April 2019 to commit to exploratory drilling in the Clipper permit, or surrender the permit. Drilling would need to occur by late 2020.

Our request for a time extension, granted by the Crown early this year, was based on the need to analyse new data arising from discussions with potential partners.

TOROA, GREAT SOUTH BASIN

New Zealand Oil & Gas 30%

New Zealand Oil & Gas has been joint venture partner with Woodside for the Toroa permit southeast of Bluff.

Woodside has recently made the decision to withdraw from the permit. New Zealand Oil & Gas is pleased to continue investigating the potential of the permit, and will assume 100% equity and operatorship, subject to approvals by the New Zealand government regulator.

All committed work in the permit has been completed.

The key 'drill or drop' date for Toroa is April 2020 [or earlier if it fits with other options].

O.G. OIL & GAS PARTIAL TAKEOVER OF NEW ZEALAND OIL & GAS

Early this year O.G. Oil and Gas (OGOG) completed its partial take-over of New Zealand Oil & Gas. Singapore-based OGOG is part of the Ofer Global group.

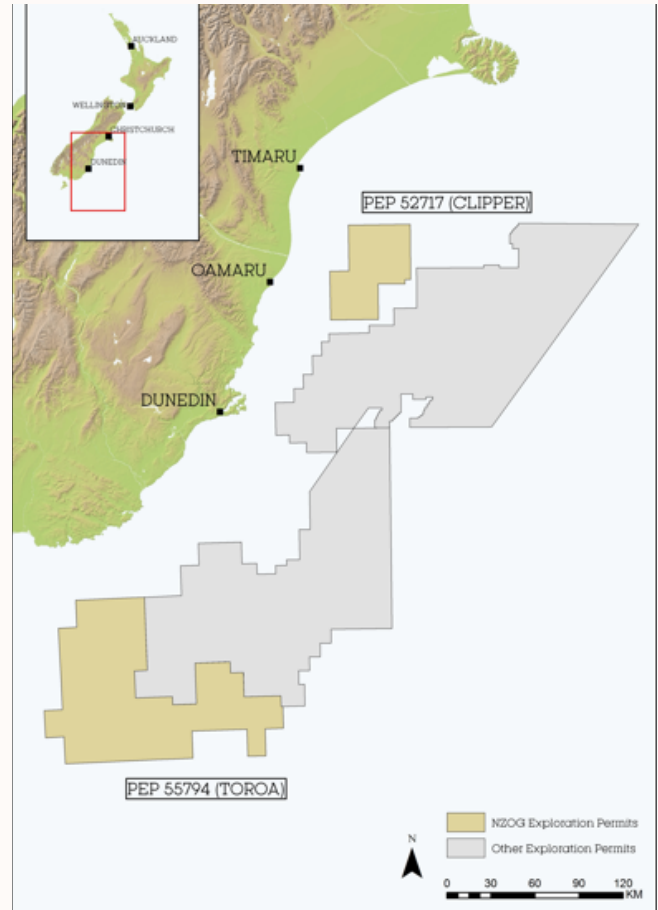
The New Zealand Oil&Gas Board has been reconfigured as a result of this change, and can be found here www.nzog.com/our-story/management-and-directors

BARQUE REGIONAL ECONOMIC IMPACT ASSESSMENT

Last year we commissioned a study into the potential economic impact of a discovery in the Barque prospect (Clipper permit). The study, prepared by consultants MartinJenkins with input from Fonterra, Methanex, Coogee Chemicals, Primeport Timaru and Ravensdown, helps us answer a common question: What will this mean for our region in terms of employment, growth and other economic benefits?

The report identified some significant economic opportunities for the South Island, and the country, and attracted a lot of media attention. As a result, we have had further meetings and discussions with the Otago, Southland and South Canterbury Economic Development Agencies, Chambers of Commerce, local government, and others. We are happy to continue to meet with anyone interested to find out more about this opportunity, which could hold significant potential for the region and country.

More information www.nzog.com/news/study-shows-commercial-potential-for-south-island-discovery/



Up to \$15 billion in
GDP and \$32 billion
in royalties and
taxes could be
generated over the
life of the field

IWI ENGAGEMENT

We are in regular contact with Runaka around the Southern region, preferably kanohi ki te kanohi, providing updates on key activity and maintaining open lines of communication to learn more about their perspectives and priorities, and to share information they want to know more about in relation to our operations.

We enjoyed celebrating with Kati Huirapa Runaka ki Puketeraki, the runaka's launch of their 'Expectations for Oil and Gas Companies in East Otago' document late last year.

SOUTHERN COMMUNITY PANEL

Our Southern Community Panel, comprises a cross section of the Southern community, continues to provide invaluable insights into local perspectives of our industry generally, and New Zealand Oil & Gas specifically.

Community expectations are expressed in an annual Letter of Expectations, which we are then judged against at the end of each year - in the form of an Annual Report Card.

Last year's expectations focussed on how economic benefits of industry development would be captured locally, and we changed a number of policies as a result, as well as commissioning the Economic Impact study mentioned above.

This year the Panel has asked us for much more detailed information around managing environmental risks, and our response to climate change. We continue to work with them to address these issues.

Letters of Expectation, and the associated annual Report Cards are available on the Panel's website <http://southern.communitypanel.org.nz>

New Zealand
Oil & Gas
COMMUNITY
PANEL

ONGOING SUPPORT FOR THE SOUTHERN COMMUNITY

- For the third year in a row we continue our contribution to Warm Homes Trusts in Otago and Southland, resulting in insulation of over 80 homes those regions, [and over 110 homes including South Taranaki] since 2016.
- We are pleased to be one of the first funders of the Dog Island Motu Piu Charitable Trust as they embark on a long-term plan to restore the land, heritage and environment of the island, located 6.5km south of Bluff.
- We continued support of Southland and Otago Science Fairs, including funding a new website for the Southland Science Fair.



DOG ISLAND

FEEDBACK

We'd like to hear what you think about our business or the wider industry, and are happy to provide more information on any of our operations - please get in touch with Anna Ririnui, Community Engagement Manager, New Zealand Oil & Gas Anna.ririnui@nzog.com