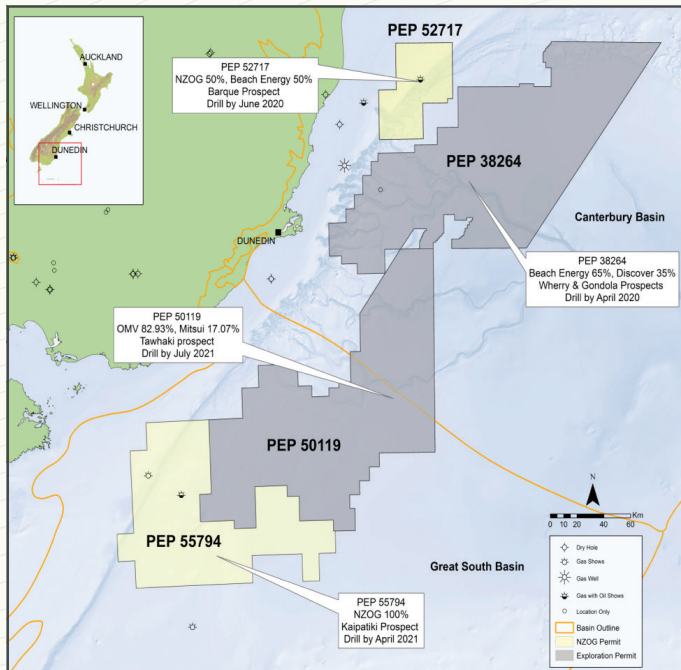


UPDATE NEW ZEALAND OIL & GAS SOUTHERN PANUI



CLIPPER – CANTERBURY BASIN

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

The Minister of Energy & Resources wrote to us in late 2018 to say she was considering extending the timetable for work this permit. Under the current rules, we would have to confirm by April 2019 whether to commit to exploratory drilling, or surrender the permit. Drilling would need to occur by late 2020. If the Minister is inclined to extend the date, then the law provides that we have to consent to her decision. We have advised the Minister that we would accept an extension. At time of writing no decision had been announced.

TOROA PERMIT - GREAT SOUTH BASIN

New Zealand Oil & Gas (Operator) 100%

New Zealand Oil & Gas now holds 100% of the Toroa permit, following the permit transfer from Woodside last year.

The key 'drill or drop' date for Toroa is April 2020.

We see the potential for the Toroa permit aligning with Clipper, and so – as with Clipper – we have responded to the government agreeing to a change of conditions. As with Clipper, we are awaiting the outcome.

KOHATUKAI (PERMIT PEP 55768) – ON-SHORE TARANAKI

New Zealand Oil & Gas 25%
OGOG 25%
Mitsui (Operator) 50%

The joint venture drilled the Kohatukai exploration well, on-shore Taranaki, in late 2018. Testing and analysis of the well results showed the target formations in Kohatukai-1 contained only residual, non-economic levels of gas reserves in the well. The decision was subsequently made to plug and abandon the well. The small area of land on the Taranaki farm where the well head is located is being restored to pasture in accordance with the landowner's wishes.

INCREASINGLY ACTIVE AROUND THE WORLD

- New Zealand Oil & Gas has agreed to join a joint venture drilling the Ironbark prospect in the Carnarvon basin off West Australia. The deepwater well (5,600m), is a world-leading prospect. A drilling rig agreement has been signed and site survey and environmental planning preparations are underway, with drilling expected to begin in late 2020. Subject to some final conditions that haven't yet been met, the joint venture will be BP (operator) 42.5%, Beach Energy 21% and Cue Energy 21.5%. New Zealand Oil & Gas will take 15% directly in the well and also has a 50.04% shareholding in Cue.
- In New Zealand we continue to produce gas, LPG and condensate from our small, 4% interest in Kupe, located off the south coast of Taranaki. Our Cue Energy subsidiary has a 5% interest in oil production from Maari, also located off the Taranaki coast. Cue is also producing from the Sampang gas field in Indonesia.
- We continue to review opportunities to invest in established production around the world, and with our new owners' backing, at a much greater scale than we have previously considered.

EYAL & MARILYN OFER FAMILY FOUNDATION NEW ZEALAND OIL & GAS SCHOLARSHIPS

Early in 2018 OG Oil & Gas (OGOG) became a majority shareholder of New Zealand Oil & Gas, bringing us into the Ofer Global Group. The Eyal & Marilyn Ofer Family Foundation has established a suite of scholarships to support New Zealanders acquire skills for success in our industry.

Scholarships will be offered to students studying a range of related disciplines, from geology, petroleum engineering to geophysics, at undergraduate and Masters levels, across Universities of Auckland, Wellington, Christchurch and Otago.

Details are available on our website <https://www.nzog.com/our-story/communities/nzog-scholarships/>

IWI ENGAGEMENT

We continue engagement with Iwi around the motu, kanohi ki te kanohi. Most recently this has taken us to Waihao marae, near Morven, South Canterbury.

YOUR FEEDBACK

We're keen 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

ONGOING SUPPORT FOR THE SOUTHERN COMMUNITY

- We are pleased to confirm a fourth year of support for Warm Homes Trusts in South Canterbury, Otago and Southland, meaning even more warmer, drier and healthier homes in those regions.
- We continue our support for science education with ongoing sponsorship of Southland and Otago Science Fairs in 2019.
- Support for Yellow-eyed Penguin Trust's hosting of the 10th International Penguin Conference, to be held in Dunedin in August 2019.



**10th International
Penguin Conference**

DUNEDIN | NEW ZEALAND - AOTEAROA 24 – 28 AUGUST 2019



**NEW ZEALAND
OIL & GAS**