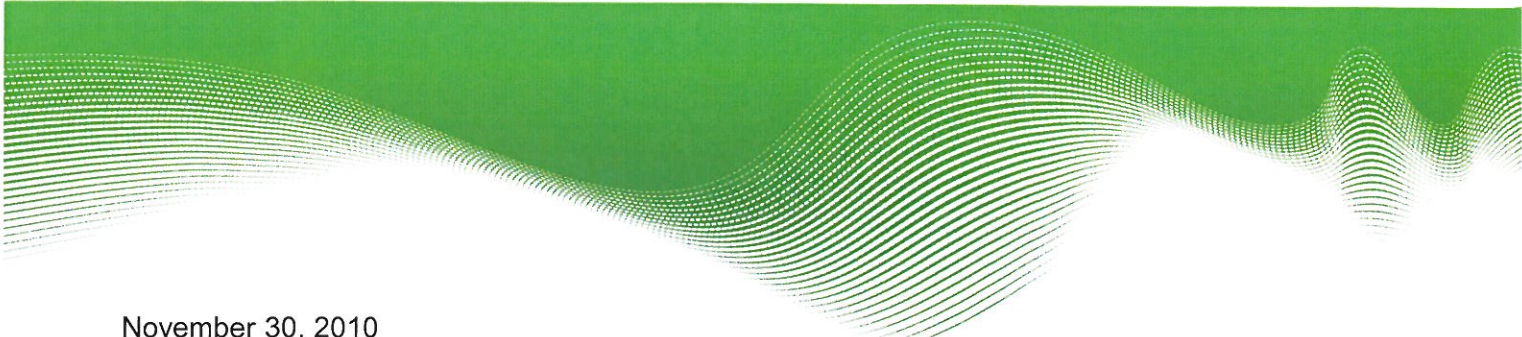




November 30, 2010

Mr Darren Collins
Senior Adviser, Listing and Accounting Policy
ASX Compliance Pty Limited
Level 45 South Tower
525 Collins St, Melbourne
Victoria 3000, Australia



Dear Darren

New Zealand Oil & Gas Limited (the “Company”) Appendix 3Z – Final Director’s Interest Notice

Thank you for your letter of 29 November 2010 regarding the lodgement of an Appendix 3Z for Raymond Meyer on 9th November. We note your comments that as Mr Meyer ceased to be a director on 27 October 2010, the Appendix 3Z should have been lodged with ASX by 4 November 2010.

I provide the following answers to the three questions raised in your letter:

1. Please explain why the Appendix was lodged late.

The requirement to lodge an Appendix 3Z within 5 days of a director’s resignation was inadvertently overlooked until after the expiry of that period. I note that the NZX (where the Company is also listed) has no similar disclosure requirement upon the retirement of a director.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company has approved and adopted a “Securities Trading Policy and Guidelines for Directors” (the “Policy”) to ensure the Company is able to meet its disclosure obligations under listing rule 3.19A. The policy is published on the Company’s website at www.nzog.com.

The policy requires directors to notify details of any intended trading in the Company’s securities prior to the trading occurring. Directors must also advise trading details within 2 days of the trade occurring.

The Company also maintains a register of directors’ interests which includes details of shareholdings and share interests. This register is considered and discussed at each

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monthly meeting of the Board, and reinforces the disclosure requirements contained in the Policy.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?*

The current arrangements are adequate for notification and disclosure of initial directors' interests and subsequent changes in directors' interests, however current arrangements do not specifically reference the requirement for disclosure of final director's interests (as per Appendix 3Z) after a director ceases to hold office.

The Board will shortly consider amendments to the Policy, and it is proposed that reference to notification and disclosure requirements after a director ceases to hold office will be included.

Yours sincerely



Craig Jones

Chief Financial Officer and Company Secretary



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29 November 2010

Mr Craig Jones
Company Secretary
New Zealand Oil and Gas Limited
Level 20
125 The Terrace
WELLINGTON, NEW ZEALAND 6143

Dear Craig

New Zealand Oil and Gas Limited (the “Company”) Appendix 3Z – Final Director’s Interest Notice

We refer to the following;

1. The Appendix 3Z lodged by the Company with ASX on 9 November 2010 for Raymond Meyer.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity’s admission or a director’s appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.
4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listing rules 3.19A and 3.19B.

As the Appendix 3Z indicated that the director ceased to be a director on 27 October 2010, it appears the Appendix 3Z should have lodged with ASX by 4 November 2010. As it was lodged on 9 November 2010, it appears that there may have been a breach by the Company of listing rules 3.19A and/or 3.19B

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by return e-mail or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. E.D.S.T.) on Thursday, 2 December 2010.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

Sent electronically without signature

Darren Collins

Senior Adviser, Listings and Accounting Policy