

26 October 2011

Mr Darren Collins
Senior Adviser, Issuers (Melbourne)
ASX Markets Supervision Pty Ltd
Level 45 South Tower
525 Collins St
Melbourne Vic 3000
Australia



By email

Dear Darren

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

We refer to your letter of 24 October 2011 in relation to the Appendix 3Y lodged by the Company with ASX on 12 October 2011.

1. Please explain why the Appendix was lodged late.

The Appendix was lodged late due to an oversight by the Company Secretary who failed to arrange for timely disclosure that a director’s holding had increased by 590 shares on 30 September 2011 as a result of the director’s participation in the Company’s dividend reinvestment plan.

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?

Ahead of each dividend payment, the Company requests that directors notify the Company Secretary of the extent of their participation in the dividend reinvestment plan. A request was made in this instance and a timely response was received from all directors.

The Company’s Board has also approved and adopted a “Securities Trading Policy and Guidelines for Directors” (The Policy) to ensure that the Company is able to meet its disclosure obligations under listing rule 3.19A and otherwise. The Policy is published on the Company’s website at www.nzog.com. This 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 ordinary meeting of the Board held monthly. Inclusion of the interests register on the Board agenda reinforces the requirements imposed on the directors under the Policy and does not replace the Policy requirements.

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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?*

Current arrangements are considered adequate and are being enforced, however closer attention will be paid in future to ensure that all changes arising from dividend reinvestment plan participation are promptly disclosed.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Craig Jones', with a large loop at the start and a trailing flourish.

Craig Jones
Company Secretary & Chief Financial Officer



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24 October 2011

Mr Craig Jones
Company Secretary
New Zealand Oil & Gas Limited
AUCKLAND NZ

By Email

Dear Craig

New Zealand Oil & Gas Limited (the "Company")

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 12 October 2011 for Mr David Robert Scoffham;
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) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. 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 listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that a change in David Robert Scoffham's notifiable interest occurred on 30 September 2011. It appears that Mr Scoffham's notice should have been lodged with ASX by 7 October 2011. Consequently, the Company may be in breach 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 e-mail at darren.collins@asx.com.au 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, 27 October 2011.**

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 should 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
Head of National Accounting Group
Senior Adviser, Listings