

8 December 2011

New CEO takes up role

NZOG (New Zealand Oil & Gas Ltd) confirms that Andrew Knight has signed a contract and taken up the role of Chief Executive Officer.

He replaces David Salisbury, who had given six months notice in June this year.

Andrew Knight, who's 41, has been a director of NZOG since 2008. He is also a director of Powerco Limited and several privately held investment companies.

Andrew's previous career includes senior executive roles with Vector, Natural Gas Corporation and The Australian Gas Light Company, in addition to roles with Fletcher Challenge Energy and Coopers & Lybrand.

The ASX Corporate Governance Principles and Recommendations note that entering into an employment agreement with a senior executive may trigger a continuous disclosure obligation under ASX Listing Rule 3.1.

A summary of the key terms of Andrew Knight's employment agreement is therefore provided.

Key terms of employment for Chief Executive Officer of New Zealand Oil & Gas Ltd

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| 1. Appointee | Andrew Knight |
| 2. Contract duration | Indefinite term |
| 3. Commencement Date | 7 December 2011 |
| 4. Remuneration | Base compensation of NZ\$510,000 per annum |

Short term incentive: A Bonus Scheme is operated under NZOG's Remuneration and Performance Appraisal Policy. Any payment of a bonus to the CEO is at the absolute discretion of the Board and will be assessed based on performance against NZOG's business plan objectives.

Long term incentive: NZOG operates an Employee Share Ownership Plan. Subject to approval at a meeting of shareholders, the Board intends to offer the CEO the right to subscribe to up to 3 million partly paid shares with a final issue price of \$1.00 per share.

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| 5. Other terms | The employment agreement also includes standard terms covering confidentiality, termination, redundancy, restraint upon termination of employment and conflicts of interest. |
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