

2012 Interim Results

For the six months ended 31 December 2011

Briefing Presentation

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2012 Interim Results Summary



- Kupe & Tui fields
 - Steady revenues and sustained operating earnings
- NZ Exploration
 - Active farmout campaigns for Kakapo and Barque
- International Expansion
 - Cosmos development in Tunisia (FID due mid-2012)
 - Increasing presence in Indonesia
- Corporate
 - Strong balance sheet

Financial Highlights



Financial Summary

<i>Amounts in NZ\$ millions</i>	Half Y/E 31 Dec 11	Half Y/E 31 Dec 10	Y/E Jun 11
Revenue	54.6	40.5	106.5
EBITDAX*	33.1	15.7	58.5
Exploration Write offs	(0.6)	(2.6)	(3.4)
Depreciation and Amortisation	(13.3)	(11.9)	(22.4)
EBIT**	19.2	1.2	32.6
Net Profit/(Loss) After Tax	2.3	(99.0)	(75.9)
Add back Abnormal Items***	17.4	103.8	106.5
Normalised Profit After Tax***	19.7	4.8	30.6
Net Operating Cash Flow	26.5	23.1	68.6

* Earnings before interest, tax, depreciation, amortisation and exploration

** Earnings before interest and tax.

*** Abnormal Items comprising foreign exchange losses and gains and Pike River Coal Limited related losses.

Contribution by Field

<i>Amounts in NZ\$ millions</i>	Kupe	Tui	Other	Half Y/E Dec 11
Revenue	37.1	17.5	-	54.6
EBITDAX*	24.7	12.2	(3.8)	33.1
Exploration Write offs	-	-	(0.6)	(0.6)
Depreciation and Amortisation	(10.3)	(2.8)	(0.2)	(13.3)
EBIT**	14.4	9.4	(4.6)	19.2

* Earnings before interest, tax, depreciation, amortisation and exploration

** Earnings before interest and tax.

Abnormal Items

<i>Amounts in NZ\$ millions</i>	Half Y/E 31 Dec 11	Half Y/E 31 Dec 10	Y/E Jun 11
Pike River Coal Ltd related losses:			
- Equity Investment impairment	-	(77.1)	(77.1)
- Net Fair Value loss on Bonds	(4.1)	(7.5)	(6.4)
- Impaired debt and interest	(18.1)	(13.3)	(14.6)
- Coal Option Impairment	-	(0.7)	(0.7)
Total PRCL Losses	(22.2)	(98.6)	(98.8)
Foreign Exchange Gains (losses)	4.8	(5.2)	(7.7)
Total Abnormal Items	(17.4)	(103.8)	(106.5)

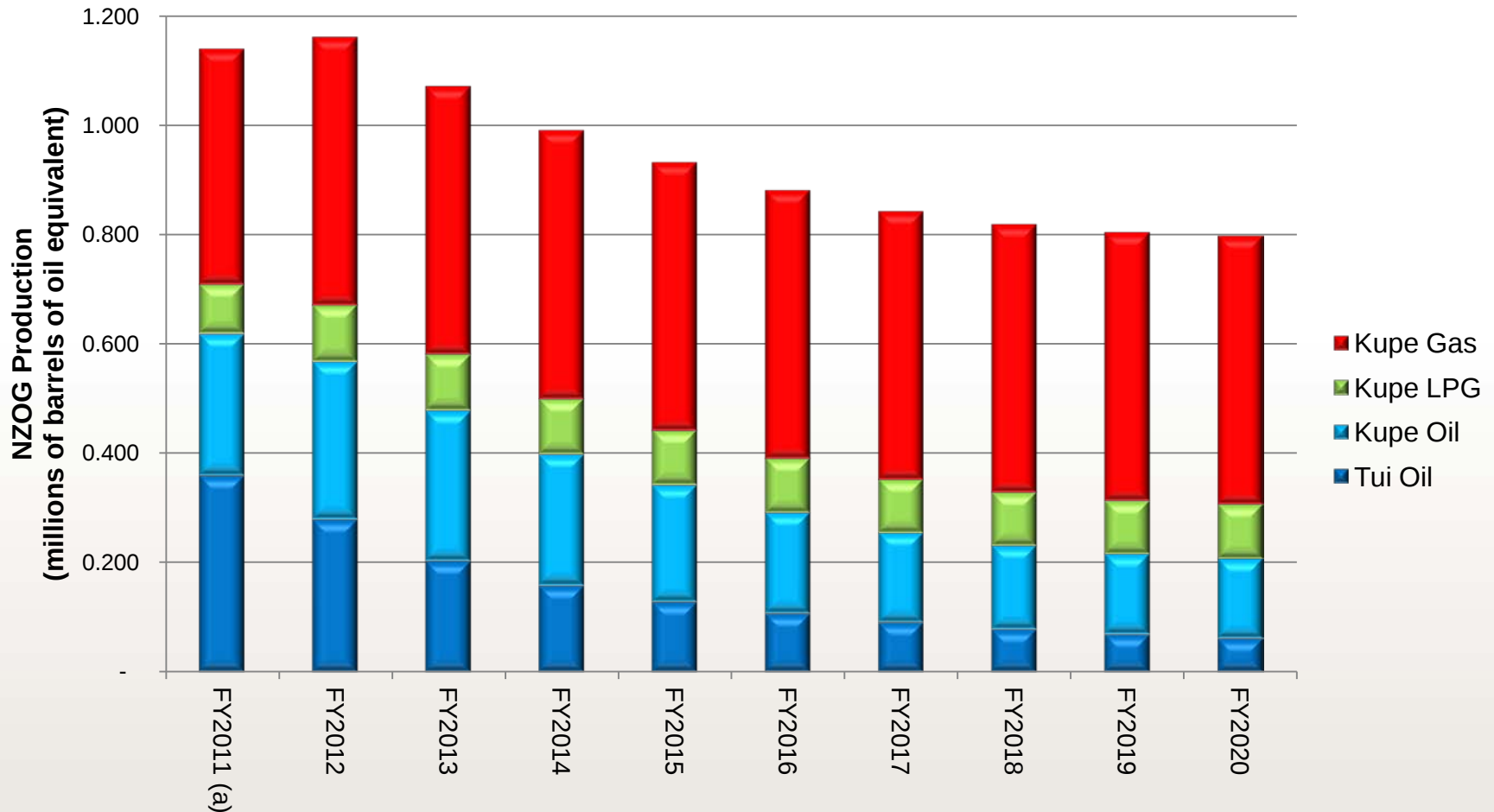
Cash & Debt Position 31 Dec 2011



- Total Cash (NZ\$)
 - \$191.5 million cash balance at 31 December 2010
 - 40% held in US dollars, balance in NZ dollars
- Debt Position (NZ\$)
 - \$8.5 million paid off Westpac Debt Facility during period
 - Remaining balance \$54.8 million to be repaid by March 2015
- Net Cash (NZ\$)
 - \$136.7 million at 31 December 2011
 - Includes \$41.0 million recovered from PRCL
 - Up from \$49 million in Dec 2010 and \$86 million in June 2011

Production Forecast

- On track to meet FY2012 forecasts
- Two fields provide strong long-term cashflows



Operational Highlights



Kupe Gas and Oil Field

NZOG 15%

- NZOG's largest revenue source
 - \$37.1 million for six month period
- NZOG's share of production for half year:
 - 1.45 PJ of sales gas
 - 139,000 barrels of light oil
 - 6,300 tonnes of LPG
- Slightly higher production expected in second half
- Kupe contribution to earnings
 - \$14.4 million EBIT



Tui Area Oil Fields

NZOG 12.5%

- Tui continues to make valuable contribution
 - \$17.5 million for six month period
- NZOG's share of production for half year:
 - 148,000 barrels
- On track to achieve full year forecast of 275,000 barrels
- Tui contribution to earnings
 - \$9.4 million EBIT

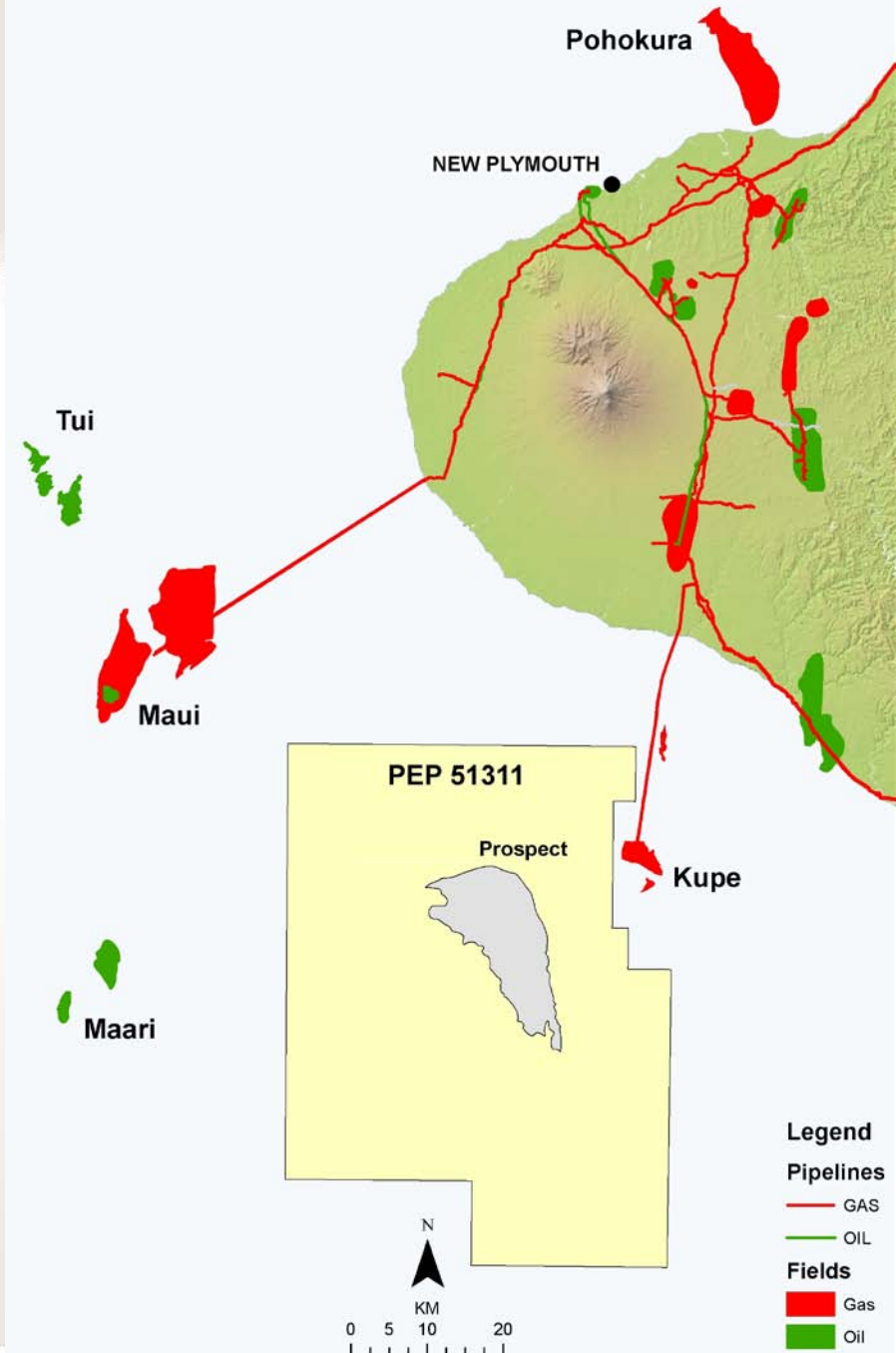


Portfolio Development

- Lower cost exploration acreage in Indonesia
- Promising development opportunity and exploration acreage in Tunisia
- Active farm out campaigns for Kakapo in Taranaki Basin and Barque in Canterbury Basin
- Focus on New Zealand opportunities ongoing

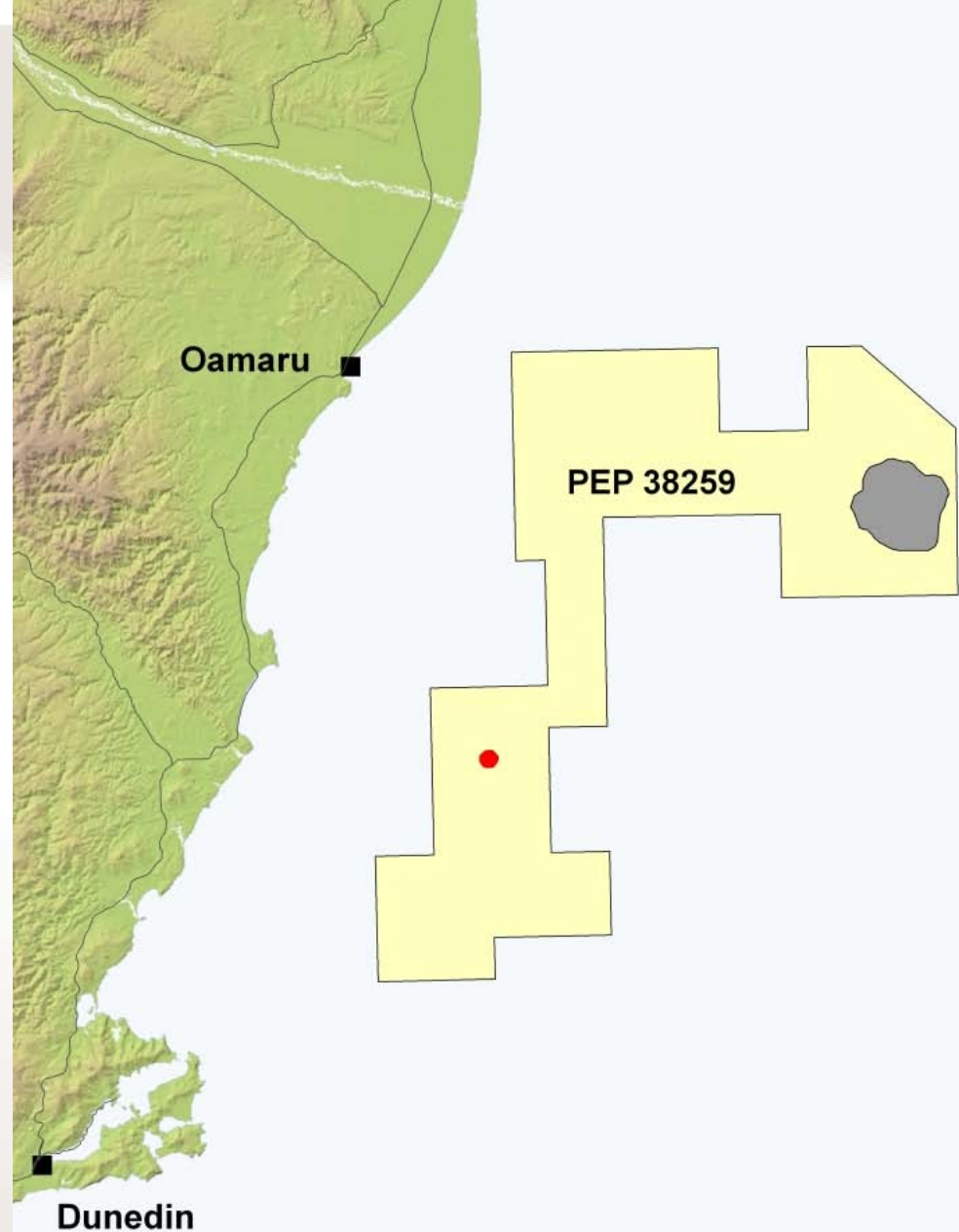
NZ: Kakapo

- Kakapo prospect has estimated mean prospective resources over 200 mmbbls
- NZOG seeking suitable drilling rig and additional partner
- Looking at drilling in 2012/13 summer



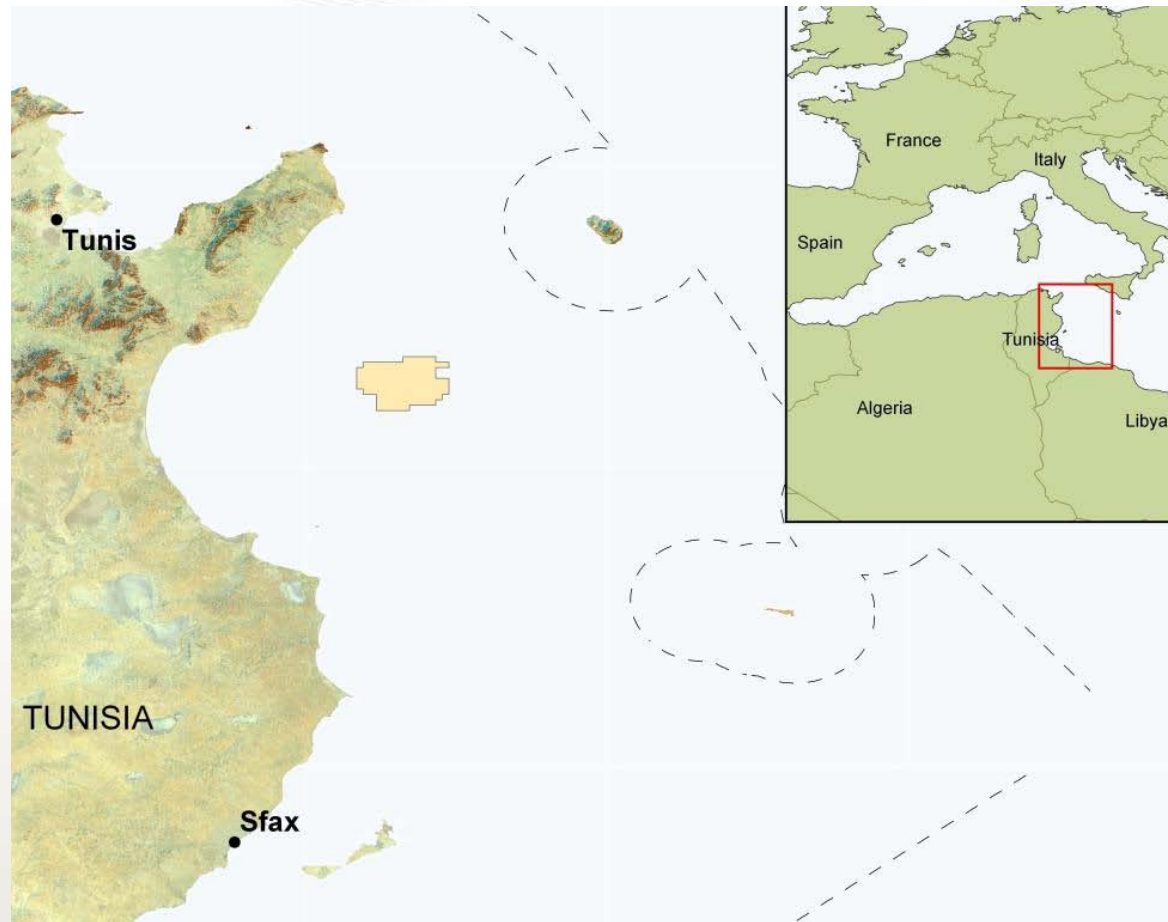
NZ: Barque

- NZOG has taken on Operatorship
- International campaign to attract additional partner into joint venture
- “Drill or drop” decision required by August



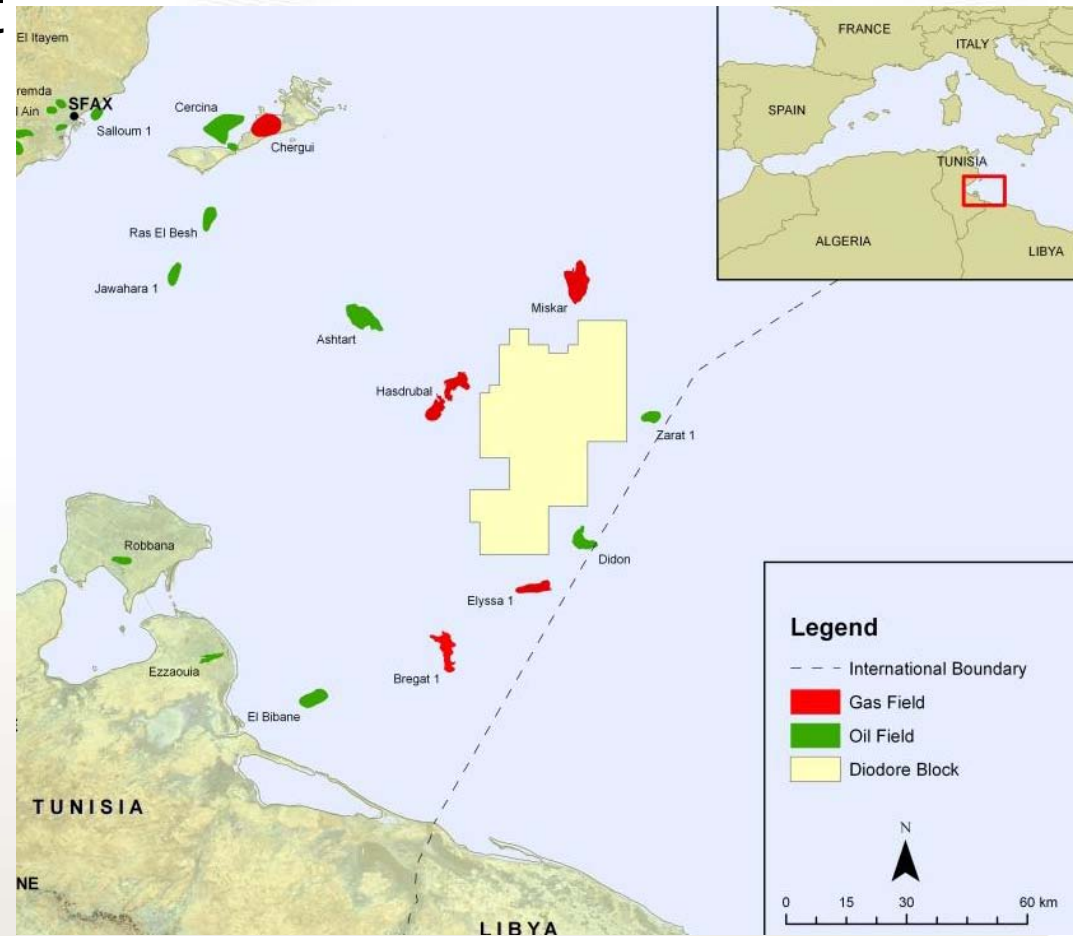
Tunisia: Cosmos Concession

- Existing discovery
 - 6.3 mmbbls with potential upside
- 40% stake acquired
 - US\$3m upfront payment
 - US\$19m contribution to partner's cost if development proceeds
- Reservoir assessment and engineering design under way
 - FID decision mid-2012



Tunisia: Diodore Block

- 2 year prospecting permit
- On trend with producing fields
- Existing 2D & 3D seismic coverage
- New 470km 2D Seismic Survey completed
- Analysis will determine whether an exploration permit is applied for
- NZOG will look to farm-down ahead of drilling



Indonesia

- Working with Indonesian-focused partner
- Current focus on Sumatra
- 22.5% stake in permit with drilling imminent
- Two Joint Study Agreements (JSA) awarded and 3rd applied for
- Other opportunities under assessment



Delivering on a growth promise

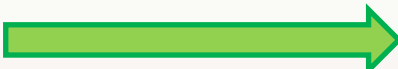


- Evolution of the Strategy - a change of emphasis
 - NZOG has been focused in last two years on opportunity assessment (acquisition) to achieve country entry
 - With core areas established, the focus is now on enhancing market position (capability), and
 - Building our own exploration opportunities to increase value and supplement acquisitions
- Exploration activities
 - Higher value achieved when successful
 - Portfolio of different types of activity
 - Within a targeted activity set

(Three regions, mostly conventional, gas or oil, onshore and offshore)

Delivering on a growth promise

- Aim for about NZ\$35m/year in exploration investment
- Say, 5 projects averaging NZ\$7m (NZOG share)
- Some generated internally (and farmed down)
- Farm in or other acquisition deals to fill portfolio gap



		S Smtra					
Farm-in	Farm-in	N Smtra					
Kisaran	Barque	Diodore					
Kakapo	Kisaran2	Kanuka					
2012	2013	2014	2015	2016	2017	2018	2019

Outlook – the year ahead



- 2012 activity:
 - Possible drilling in offshore Taranaki (Kakapo)
 - Assessment of NZ blocks offer
 - Cosmos oil field development decision in Tunisia
 - Seismic data analysis for Diodore block, Tunisia
 - Exploration drilling in Indonesia (Kisaran block)
 - Indonesia studies and possible acreage acquisition
- NZOG has resources and capability to do more
 - Actively pursuing further opportunities
 - Build substantial portfolio to provide diversity, spread risk and create long term shareholder value

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