Market Release

New Zealand Oil & Gas

10 August 2012

PRC PAYMENTS RECEIVED

NZOG (New Zealand Oil & Gas Ltd) has confirmed receipt of $5 million from the receivers of Pike River Coal Ltd (PRC) (in receivership) with a further payment expected before the end of the year.

The payment follows the sale of PRC to Solid Energy last month.

NZOG expects further payments of up to $2.5 million before the end of the calendar year.

In addition, Solid Energy will pay a further $25 million (Deferred Payment) by instalment commencing when extraction from the mining permit area over a consecutive 12 month period reaches 250,000 tonnes or when total aggregate extraction over any period reaches 1.25 million tonnes, whichever occurs first. Once that trigger date is reached, if due to the 250,000 tonne trigger, Solid Energy will pay $2.5 million.

On each anniversary of the trigger date until the Deferred Payment has been paid in full, Solid Energy will pay a further instalment based on the relevant coal extraction of the previous 12 months

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NZOG stock symbols:
NZX shares – NZO
ASX shares – NZO