

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

NEW ZEALAND OIL & GAS LIMITED

For Quarter ended 31 March 2014

Quarterly Report of Consolidated Cash Flows prepared in accordance with NZSX Listing Rule 10.10.4. These figures are based on accounts which are unaudited. All figures are in New Zealand dollars. The Company has a formally constituted Audit Committee of the Board of Directors.

NZSX Ref	Notes		Current Quarter March 2014 \$NZ'000	Year to Date (9 months) \$NZ'000
		Cash Flows Relating to Operating Activities		
1(a)	Receipts from product sales and related debtors		15,271	78,306
1(b)	Payments for			
	(a) exploration and evaluation		(25,323)	(49,070)
	(b) development		(390)	(1,746)
	(c) production		(5,217)	(13,232)
	(d) administration		(2,169)	(7,764)
1(c)	Dividends received		-	-
1(d)	Interest and other items of a similar nature received		886	2,775
1(e)	Interest and other costs of finance paid		-	-
1(f)	Income taxes (paid)/received		(2,695)	(4,696)
1(g)	Royalties		(3,668)	(9,827)
1(h)	Other		439	9,559
1(i)	Net Operating Cash Flows		(22,866)	4,305
		Cash Flows Related to Investing Activities		
2(a)	Cash paid for purchases of:	(a) prospects	-	(7,733)
		(b) equity investments	-	-
		(c) other fixed assets	(217)	(679)
2(b)	Cash proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
2(c)	Loans to other entities		-	-
2(d)	Loans repaid by other related entities		-	-
2(e)	Other		(648)	(1,113)
2(f)	Net Investing Cash Flows		(865)	(9,525)
	Total Operating and Investing Cash Flows		(23,731)	5,220
		Cash Flows Related to Financing Activities		
3(a)(i)	Cash proceeds from issue of NZOG shares		-	437
3(a)(ii)	Buyback of NZOG shares		-	-
3(b)	Proceeds from sale of forfeited shares		-	-
3(c)	Borrowings		-	-
3(d)	Repayment of borrowings		-	-
3(e)	Dividends paid		-	(9,432)
3(f)	Other		1	1
3(g)	Net Financing Cash Flows		1	(8,994)
4(a)	Net Increase/(Decrease) in Cash Held		(23,730)	(14,214)
4(b)	Cash at beginning of quarter/year		164,211	158,018
4(c)	Exchange rate adjustments to Items 4(b) above		(2,101)	(5,424)
4(d)	Cash at End of Quarter		138,380	138,380

Notes:

This report is for the NZOG consolidated group at 31 March 2014.

Non-Cash Financing and Investing Activities

- 5(a) Provide details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 5(b) Provide details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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Financing Facilities Available

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

	Notes	Amount Available \$ million	Amount Used \$ million
Tui letters of credit (USD)	1	USD 4.1	USD 4.1

Notes:

1. NZOG has a letter of credit facility with ANZ Bank (New Zealand branch) in respect of the Tui area oil fields.

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Estimated Outlays for Specified Quarter

	Notes	Current Quarter \$NZ'000	Following Quarter \$NZ'000
Exploration and evaluation	1	25,871	30,137
Development	2	448	400
Total		26,319	30,537

The outlays to be shown in this column are the estimates made for this quarter in the previous quarterly report. When these estimates differ by more than 15% from the actual outlays reported in Item 1(b) of this report, provide an explanation of the reason(s) for these differences as an attachment to this report.

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Reconciliation of Cash

For the purposes of this statement of cashflows, cash includes:
bank bills, cash on hand and at bank, short term deposits and government stock less any overdraft.

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:	Current Quarter \$NZ'000	Previous Quarter \$NZ'000
Cash on hand and at bank	2,146	13,633
Deposits at call, term and bank bills	121,710	140,643
Bank overdraft	-	-
Other – Joint venture cash	14,524	9,935
Total: Cash at End of Quarter (Item 4(d)/4(b))	138,380	164,211
The above cash at end of quarter includes cash held in the following material currencies:	Current Quarter '000	Previous Quarter '000
United States Dollars	USD 19,457	USD 46,028

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Changes in Interests in Mining Tenements

Note	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter %	Interest at End of Quarter %
9(a)	Interests in mining tenements relinquished, reduced or lapsed			
9(b)	Interests in mining tenements acquired or increased			

9(c) The Company's "Petroleum Interests" as at 31 March 2014 are set out below.

PETROLEUM INTERESTS AT 31 March 2014

	GROSS AREA SQ KM	DIRECT INTEREST %
1. PETROLEUM MINING PERMITS		
PML 38146 (Kupe field)	257	15.0
PMP 38158 (Tui field)	467	27.5
2. PETROLEUM EXPLORATION PERMITS		
PEP 52181 (Kaheru)	312	35.0
PEP 54857 (Waru)	525	100.0
PEP 54867 (Manaia)	111	40.0
PEP 51906 (Matuku)	1613	12.5
PEP 52593 (Taranga)	3,509	50.0
PEP 53473 (Takapou)	853	50.0
PEP 52717 (Clipper)	3,423	50.0
Kisaran PSC	2,179	22.5

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Bohorok PSC	5,022	45.0
PEP 55792 (Galleon) (note 1)	1,654	100.0
PEP 55793 (Vulcan) (note 1)	2,418	30.0
PEP 55794 (Toroa) (note 1)	9,835	30.0
Palmerah Baru PSC (note 2)	989	36.0
3. PROSPECTING PERMITS		
Diodore (Tunisia)	1,232	100.0

1. PEP 55792 (Galleon), PEP 55793 (Vulcan) and PEP 55794 (Toroa) were awarded in the December 2013 block offer and were formally conferred on 1 April 2014.
2. Palmerah Baru PSC was awarded in December 2013 and was formally conferred during the March 2014 quarter.

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Issued and Quoted Securities at End of Current Quarter – 31 March 2014

(NEW ZEALAND OIL & GAS LIMITED ONLY)

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Note		Number Issued	Number Quoted	Value (cents)	Paid-Up Value (cents)
	Ordinary Securities	419,903,224	411,966,224	N/A	N/A
	Fully paid during quarter	-	-		
	Cancelled during quarter	-	-		
	Partly Paid Securities <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	7,937,000	-	77.0-204.0	1.0
	Issued during quarter	-	-		
	Fully paid during quarter	-	-		
	Options	-	-	N/A	N/A
	Issued during quarter	-	-		
	Exercised during quarter	-	-		
	Expired during quarter	-	-		


 Andrew Knight
 Chief Executive Officer
 29 April 2014