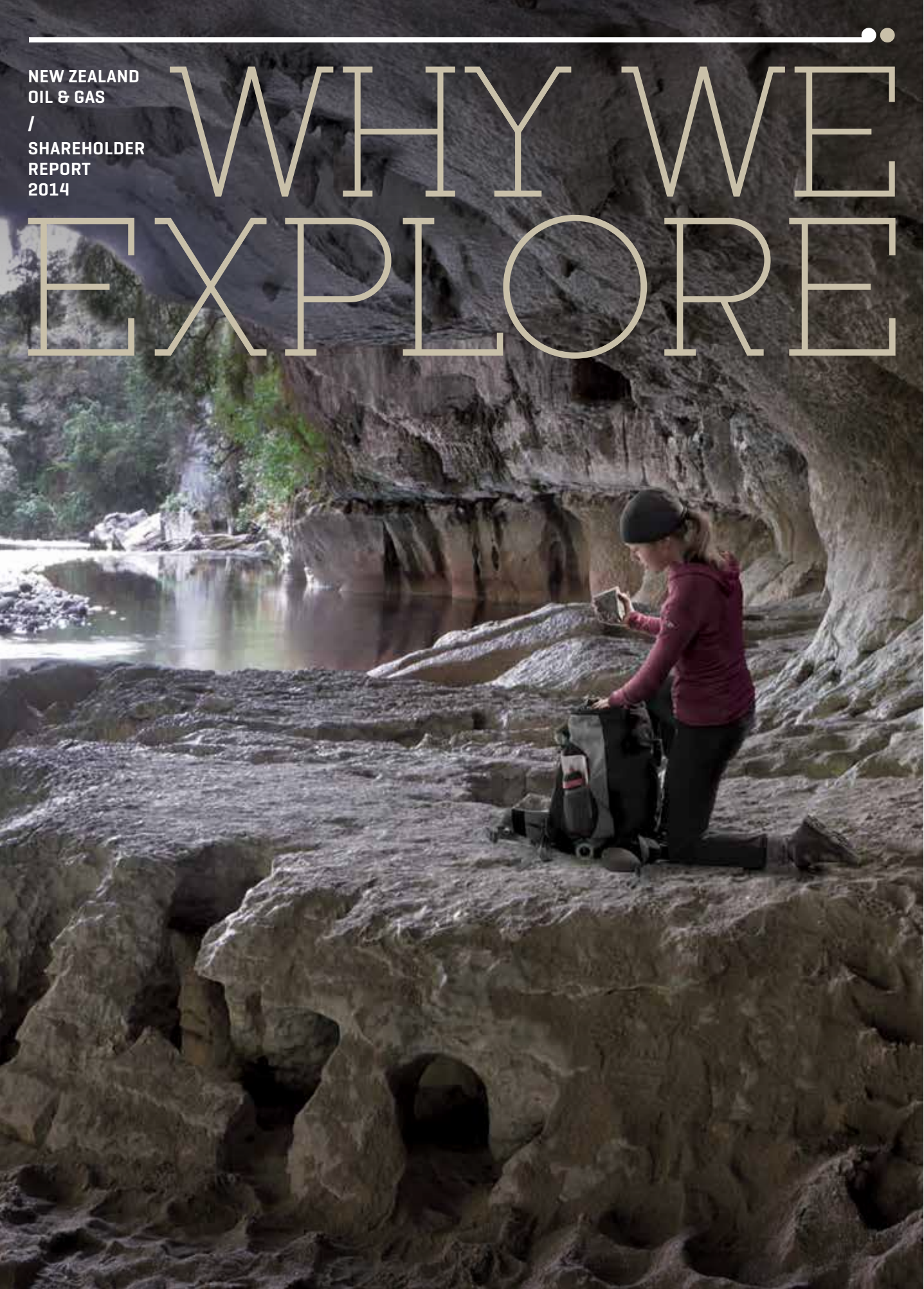


NEW ZEALAND
OIL & GAS
/
SHAREHOLDER
REPORT
2014

WHY WE EXPLORE



Everyday we continue to search for ancient life beneath the surface - exploring the unknown to discover oil and gas.

In this spirit of discovery we inspire a new generation of explorers.

New Zealand Oil & Gas is proud to support a national touring exhibition of the first dinosaur footprints ever found in New Zealand.



Supporting Science in our Community

A national touring exhibition of dinosaur footprints.

In the 1990s Dr Greg Browne of GNS Science was investigating sands near Nelson, at the top of New Zealand's South Island, to identify where oil and gas deposits may have formed and how they migrated over millions of years. Some of the sands found around Nelson are also buried kilometres deep off Taranaki.

During his research he noticed indents in the rocks that couldn't easily be explained. It took fifteen years from first noticing the footprints to finally conclude they were made by ancient dinosaurs.

When we search for oil and gas we are exploring for the remnants of plants and animals, like the sauropods, from millions of years ago. The search requires an understanding of how our world has been changed over millions of years by earthquakes, volcanoes, mountain building and erosion.

Today, an exhibition of the footprints and the story of how they were found is touring New Zealand with the support of New Zealand Oil & Gas.

As a science-based exploration business, we are helping communities to understand how science contributes to our quality of life today.

DINOSAUR FOOTPRINTS
A Story of Discovery

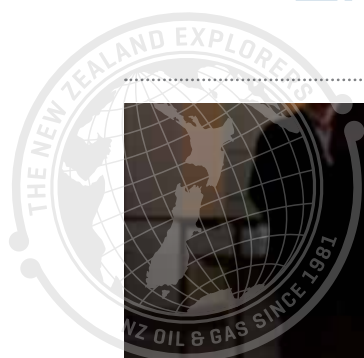


A young visitor to the exhibition discovers a replica footprint from the largest animal to ever walk the earth, the sauropod.





ExplorerReport2014



Dinosaur Footprints - A Story of Discovery.
Touring nationwide with the support of
New Zealand Oil & Gas.

04 Why We Explore

06 How We Explore

08 Highlights

10 Chairman's Review

Peter Griffiths, Chairman

12 CEO's Review

Andrew Knight, Chief Executive

15 Supporting Science in Education

17 Great Explorers of the Deep

18 Reserves and Production

22 Permit Progress

24 Exploration - New Zealand

27 Exploration - International

28 Permit Maps

30 Directors

33 Management

37 Shareholder Information

41 Financial Summary

43 Corporate Directory

New Zealand Oil & Gas - Te Kāpuni Hinu O Aotearoa

WHY WE





EXPLORE

New Zealand's story is a story of exploration.

Every family in these islands has a story of travel, a story of starting over. A story of exploration. They came to New Zealand to break the mould. To get away from business as usual. To discover the undiscovered. We are a maritime people.

Our land is surrounded by the seas and ocean. We're encircled by some of the wildest and most forbidding waters on the planet. These waters have provided this country with great riches, and many still lie undiscovered. We keep the flame alive that is at the heart of this country – the impulse to search, to explore, to seek the undiscovered.

HOW WE

New Zealand Oil & Gas is a values-based exploration business with two major producing assets, exploration interests offshore New Zealand in the Taranaki, Canterbury and Great South Basins, and in onshore Sumatra, Indonesia.

We are the exploration partner of choice

It takes decades to discover, develop and produce undiscovered resources. So we work to build partnerships that endure over time. We bring our New Zealand values to our relationships, recognising our community relationships bring valuable perspectives and complimentary strengths.



EXPLORE

Our Values - Nga Uara

Integrity and Trust - Pono me te Tika

We are honest, transparent and ethical. We respect the culture, values, law and regulations of the countries we operate in. We operate safely without harm to people or our environment.

Communication - Te Reo Whakawhitiwhiti

We foster active collaboration and understanding of others. We are open, transparent, and listen.

People and Passion - Tangata Auaha

We are inclusive, act with consistency and respect the opinions of others. We encourage, care for, and motivate each other. We have fun and work with passion.

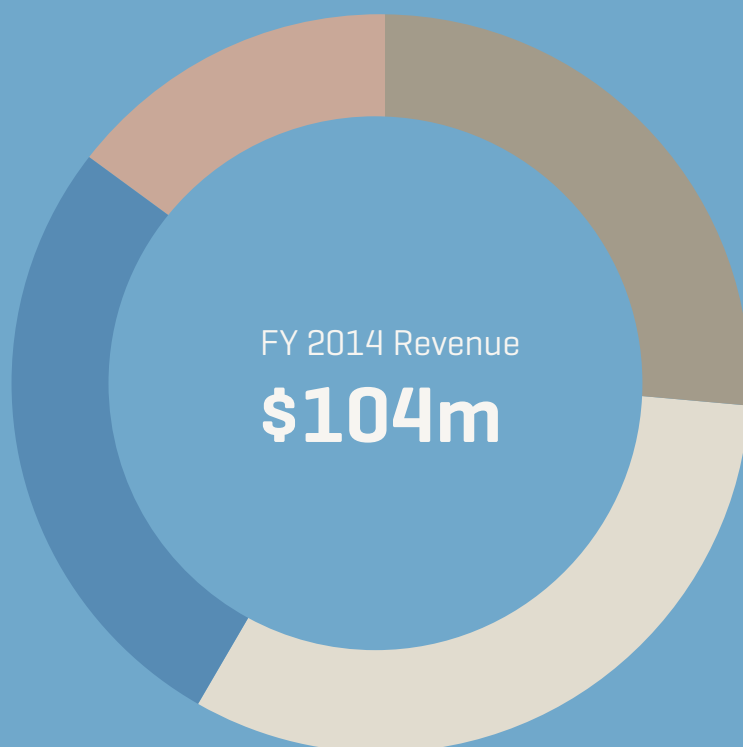
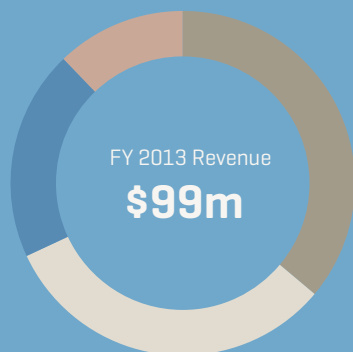
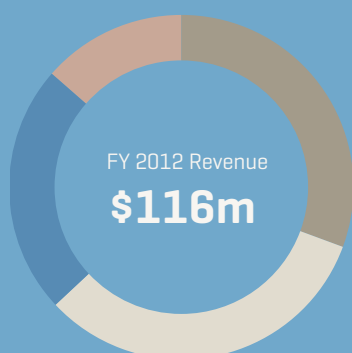
Commercial Focus - Arumoni Hangai

We actively seek out and deliver on opportunities. We develop mutually beneficial relationships.

Highlights

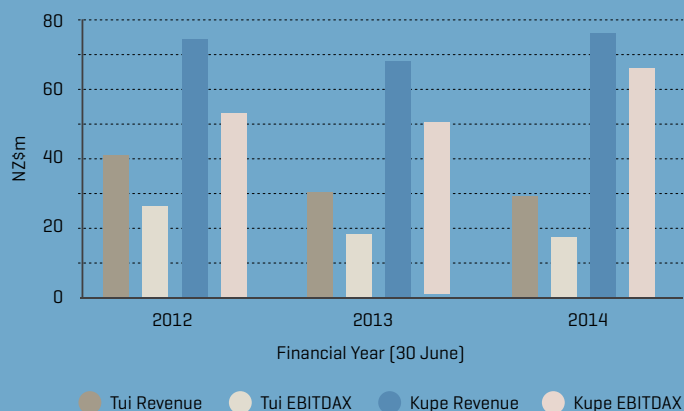
	2012	2013	2014	
Exploration and Evaluation Spend Indication of upcoming high level of activity for the company	\$9.5m	\$42.2m	\$74.9m	77%
Net Cash Balance	\$162.4m	\$158m	\$135.1m	-14%
EBITDAX* Solid underlying earnings from operations	\$70.5m	\$67.8m	\$75.7m	12%
Kupe Revenue	\$74.3m	\$68.8m	\$75.9m	10%
Kupe EBITDAX* Solid given production outages [planned and unplanned]	\$53m	\$50.4m	\$65.9m	31%
Tui Revenue	\$42m	\$30.4m	\$27.7m	-9%
Tui EBITDAX* Affected by timing of shipments	\$27.2m	\$18.1m	\$17.6m	-3%
Cash Flows from Operations Solid and able to fund near term development and dividend	\$63.2m	\$54.3m	\$88.0m	62%
Dividend (cents per share) Consistent and affordable	6.0	6.0	6.0	

*Earnings Before Interest, Tax, Depreciation, Amortisation and Exploration write-offs



● Tui Oil
 ● Kupe Oil
 ● Kupe Gas
 ● Kupe LPG

Kupe & Tui Performance



Production Summary

NZOG share	2012	2013	2014
Tui [Oil-bbls]	275,700	208,500	300,000
Kupe [Oil-bbls]	269,400	233,500	257,700
Kupe [Gas-TJ]	2,900	2,700	3,500
Kupe [LPG-tonnes]	12,500	11,600	14,400

Chairman's Review



The strong operating cashflow achieved from our producing fields this year continues to give us the capacity to pursue our strategic options.

The company began the year with sufficient funds to sustain the dividend and continue our exploration programme with its primary focus on New Zealand's offshore basins, balanced with some modest international exposure to spread our risk.

It is also pleasing to note our success in securing a larger share of the Tui field and also settling the overriding royalty negotiations at Kupe. This will ensure improved returns from our producing assets which will support our ongoing exploration investment into the future.

Looking ahead the exploration opportunities for us are evolving. New Zealand's basins are hardly explored and offer potential, but around our coasts the costs for all elements of the exploration cycle are high and the lead time for success is long.

This year's drill programme has clearly demonstrated that the costs of offshore drilling can be high.

Although we have had a modest success with the Pateke-4H well, which will extend the life of Tui, the industry's exploration efforts in New Zealand have yet to deliver a new discovery in what can be considered a busy year.

Our portfolio in the Taranaki looks full for now, and our future efforts will involve a combination of more deepwater exposure around New Zealand, additional international options and potentially new assets.

Deepwater acreage in New Zealand is continuing to attract large and experienced global operators intrigued by New Zealand's potential, one of the last frontiers for exploration in a developed country context. Larger international explorers tend to seek bigger targets with potential for producing assets of significant scale.

Our strategy is to be their partner of choice when they come here because our understanding of local conditions makes New Zealand Oil & Gas a good match with their expertise in deepwater exploration. However pursuing big targets in deepwater costs more, so we have to manage our exposure by being highly selective in the opportunities we choose, and making sure our exposure is manageable.

We have been successful in developing important relationships with large exploration companies and these will be an important part of our program into the future.

We continually screen opportunities to balance our exploration spend, with prospects at each stage of development from early evaluation, through seismic subsurface investigation and drilling, so that over time we have replacement reserves coming through to grow returns as existing reserves deplete.

To grow returns we will continue to build the strongest exploration portfolio we can, while maintaining a focus on efficient operation of our asset base

Internationally we have withdrawn from our Tunisian project as the potential return no longer warranted accepting the risks. We have enjoyed some modest exploration success in Sumatra which is being reviewed for its development potential. Indonesia is very welcoming of explorers like New Zealand Oil & Gas. It provides us with numerous opportunities and we are taking a stronger position in the onshore plays there.

To grow returns we will continue to build the strongest exploration portfolio we can, while maintaining a focus on efficient operation of our asset base. This will provide investors with both an ongoing yield from past successes and the potential upside that the oil and gas industry offers.

I think the future is bright for New Zealand Oil & Gas.

Peter Griffiths
Chairman



Peter Griffiths

Chairman

Andrew Knight

Chief Executive

CEO's Review

Pathways to growth

The company has had a strong year. Operating cashflow increased substantially on the back of steady production from our Kupe and Tui assets, and we grew our capability as we stepped up activity. Operationally, it was a busy year as we led or participated in seismic surveys and drilling wells.

The exploration portfolio is rebalanced towards more involvement in frontier New Zealand basins through the successful bids with Woodside in the 2013 New Zealand Block Offer, and in onshore Indonesia.



Production

The Kupe asset continues to perform strongly with revenue up from additional gas sales and we were able to close out the financial year by resolving long-standing negotiations with one partner around the payment of overriding royalties.

The entitlement to overriding royalties arose in the early days of the Kupe permit, in the 1980s, when New Zealand Oil & Gas was instrumental in the Kupe discovery. The company sold down its equity stake in Kupe in exchange for the promise of a greater share of future production. Negotiations have been ongoing since before Kupe began producing in 2009, and resolution provided an immediate boost to revenue this year with a sustained lift in future earnings.

We have also benefitted from our increased share of the Tui permit through the acquisition of an additional 15 per cent share from Mitsui. The cost of purchasing a greater share of Tui will be recovered this year.

The cost of purchasing a greater share of Tui will be recovered this year.

Global uncertainty is keeping oil prices high and, with steady production, the income sustains the dividend and provides opportunity for investment into potential discoveries that will further sustain the business into the future.

Exploration

Exploration in New Zealand has been busy this year, although without a discovery on a scale to bring down the average rate of one success out of every nine offshore wells drilled.

We did have a success at Pateke-4H, where we drilled into a zone that extends one of the structures already producing in the Tui permit, although the well cost was above our expectations. Planning is underway to tie this new resource back to the Tui FPSO, Umuroa, and I expect production to begin late in the next financial year.

We did have a success at Pateke-4H

The chance of success at Oi was rated at just 16 per cent. We took a smaller stake which stacked up on the balance of risk and potential return, but we didn't find new oil, unfortunately. Matuku, also off Taranaki, was another unsuccessful well. The terms of our participation meant we were not exposed to drilling cost increases and exploration work continues in the Matuku permit with seismic data collected over the 'Kaka' prospect over the summer. We operated seismic surveys in Waru and the Endurance 3D survey in the Canterbury Basin.

We aim to keep our exploration portfolio dynamic by continuously reassessing it for balance and strategic fit so that we replace prospects drilled or screened out at an earlier stage. We withdrew from our onshore Taranaki acreage when we concluded our efforts would be better dedicated to more promising leads. Examples include the two permits we have entered with Woodside in deepwater off Taranaki and Southeast of the South Island. We are also once again studying the New Zealand Block Offer and working through whether some interesting opportunities fit our work programme and the aims of potential partners.

International

Interest in New Zealand from international partners is elevated, partly because of marketing efforts, but also because it is one of the last frontiers in a developed country. We are positioned as partner of choice for explorers who come to New Zealand looking at frontier exploration. In deepwater they are looking for very large potential finds. It is expensive but offers the potential for game-changing discoveries.

We are positioned as partner of choice for explorers who come to New Zealand.

As we enter these new frontier play types, we keep the portfolio balanced with different concepts and investment risks internationally. In Sumatra we are exclusively onshore because it balances our offshore exposure in New Zealand. Palmarah Baru, in the south of the island, is in a prolific oil and gas basin. We also won rights to explore for unconventional prospects beneath our Kisan area where our plans for development of last year's conventional discovery are progressing.

Our interest in Tunisia is coming to an end. Work in the remaining permit confirmed the presence of prospects that attracted the company in the first place, but the investment risk was going to be too high to drill.

Partner of choice

As we look overseas, our New Zealand values help us to forge enduring partnerships.

New Zealanders are used to being partners. We are respectful of others' perspectives. We are dependable partners who bring an experienced team and keep our commitments. We understand that strong relationships are forged by delivering mutual benefit. Partners value these qualities and want to work with us because of them. Creating enduring partnerships has been a priority over the last year.

Creating enduring partnerships has been a priority over the last year.

We have entered a new kind of partnership with the communities where we work. We are setting up community panels in Taranaki and the South Island that will formally set expectations for our corporate behaviour each year. We will publicly report on our performance.

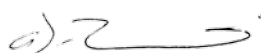
We have begun signing relationship agreements with community organisations, including Taranaki iwi and the Yellow-Eyed Penguins Trust based on the North Otago coast.

The agreements record our intention to be good neighbours, to discuss and gain feedback about ourselves and our activities as well as to talk regularly with an emphasis on opportunities for mutual benefit.

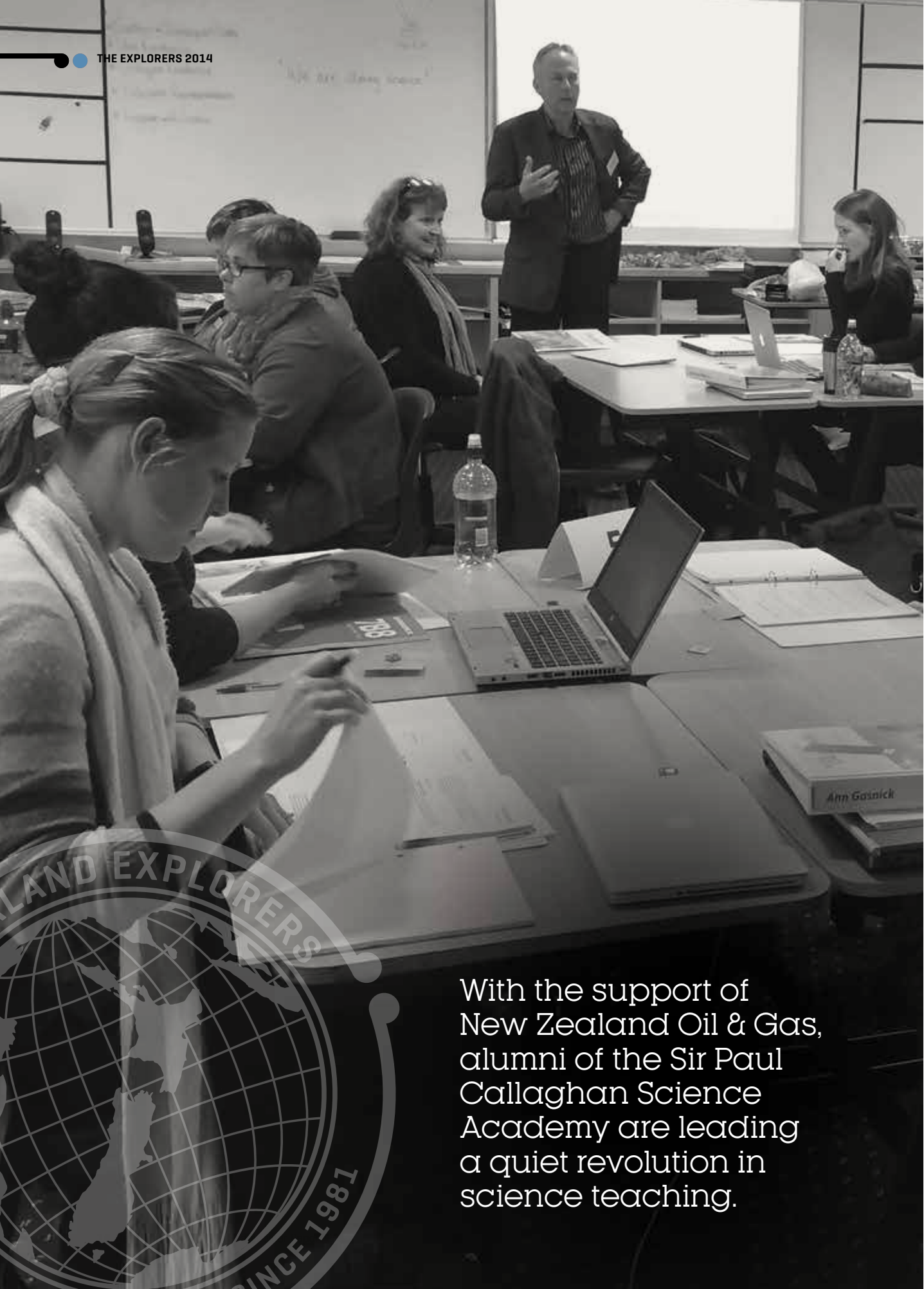
We are seeking to become a part of the communities where we operate as it is consistent with our New Zealand values, while we also benefit by being part of the local community and positioned as New Zealand's oil and gas business. Finding, developing and producing a resource takes decades, so strategies and partnerships with communities and fellow explorers need to endure, not be short-term or transactional.

Through the annual Block Offer round in New Zealand, and internationally as the strategy allows, our alliances help us to extend our capability, enter new exploration opportunities and create more value from our assets.

With a strong balance sheet and the ability to sustain a dividend and an ongoing exploration spend of around US\$35 million a year, the company is positioned to deliver further value for our shareholders.



Andrew Knight
Chief Executive



With the support of
New Zealand Oil & Gas,
alumni of the Sir Paul
Callaghan Science
Academy are leading
a quiet revolution in
science teaching.

Supporting Science in Education

Now in its third year, the Sir Paul Callaghan Science Academy is leading a quiet revolution in science teaching in participating primary and intermediate schools.

Jill Marsh, assistant principal at St. John's School, a Year 1-6 primary school in picturesque Mairangi Bay north of Auckland, attended the first Academy in 2012 and was back at the 2014 Academy in Auckland in July to talk with new participants about her experiences as an Academy alumni member.



"Attending my first Academy not only gave me a vastly better understanding of the teaching of science, and showed me that the natural curiosity of our children almost pre-programmes them for science, it also gave me the confidence to advocate for science within the school," says Jill.

"Enthusiasm for science is infectious and we have unpacked the curriculum to align with the everyday wonder and awe of our kids to know how their world around them works."

"It's what I call the Academy effect, making the teaching of science fun and exciting because it answers the questions the kids themselves are asking about the world around them. It's a brilliantly simple concept from Sir Paul Callaghan and it works," says Jill.

Alumni receive ongoing support from the Academy via various online methods. An alumni meeting is being organised this year aimed toward developing further great ideas and networks that forge excellence in science teaching.

New Zealand Oil & Gas supports the Academy with direct sponsorship.

In October the company will also sponsor primary and intermediate teachers from Otago and Southland to join the Academy.

As a science-based exploration business New Zealand Oil & Gas supports science and discovery. We are leaving our environment in better condition because of our involvement.

New Zealand Oil & Gas is proud to support study of the habitat of Great White sharks. Great Whites are great explorers, but scientists know surprisingly little about them.



Great Explorers of the Deep

Caught by accident off the coast of Taranaki, New Zealand, a five year-old Great White Shark measuring 2.6 meters was found in a commercial fishing set net.

It was transported to the Natural History unit of Auckland Museum for closer examination and dissection, overseen by Clinton Duffy, a marine biologist who is studying Great Whites with the support of New Zealand Oil & Gas.



"On very rare occasions we get an opportunity to examine these animals closely, and build our understanding of their origins, behaviours and habitat. The last shark we examined was a female, five years ago. This time we have a male specimen and that's incredibly valuable for us to study," Clinton says.

Observations of growth and age profiles are added to the New Zealand database, most which of comes from live sharks tagged around the coastline of New Zealand. Closer examination is only possible with a deceased shark.

After data measurements and samples were taken from the surface area of this specimen, cross sections of the shark were taken. The head was 'fixed' or preserved by a three-week immersion in formalin, then sent to the University of Western Australia for an MRI so the structure of the brain could be studied.

"We took vertebral samples, a section of the backbone just behind the dorsal fin for aging purposes and some muscle tissue and liver samples for stable isotope analysis," Clinton says.

The Crown Research Institute NIWA conducts some of these studies so that more can be understood about changes in the Great White's diet in areas around New Zealand.

Says Clinton, "The digestive system of this shark presented us with fish lenses, so we can identify its recent food sources, as we can from the scar tissue around its snout and mouth area, most likely inflicted by seals being attacked. Some bite mark scars on the left dorsal fin appear to be the bite of another shark, as they are known to attack one another frequently."

"Working in collaboration with researchers locally and internationally means we can assemble a reservoir of scientific knowledge that is specific to New Zealand waters, which is important for us to understand from an ecological standpoint."

As a science-based exploration business New Zealand Oil & Gas supports science and discovery. We are leaving our environment in better condition because of our involvement.

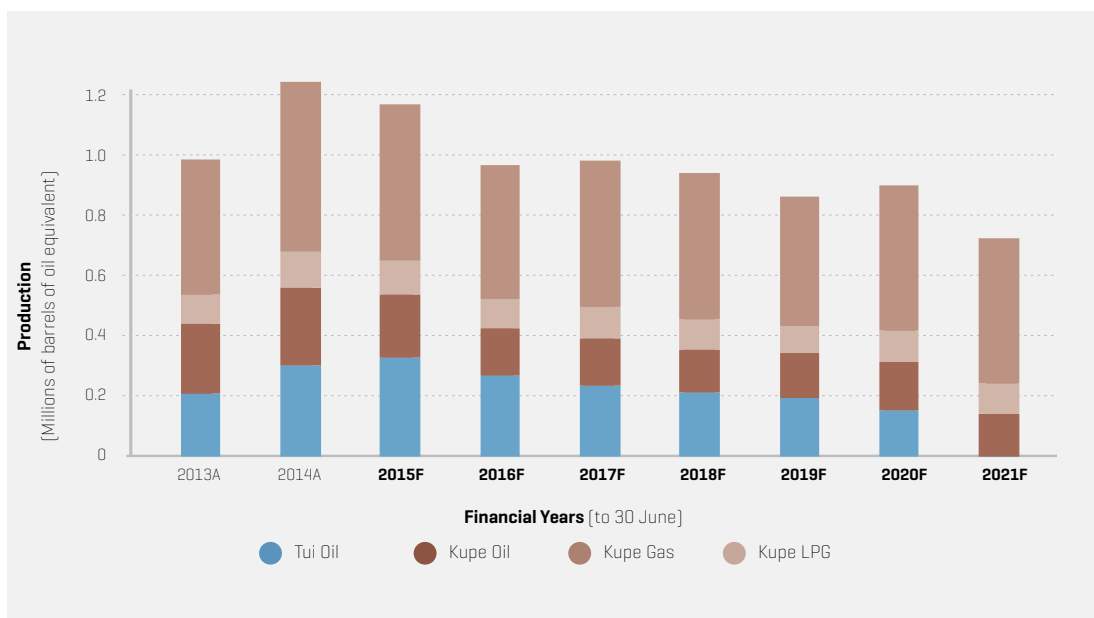
Find out more and see exclusive underwater video of Great Whites at nzog.com/greatexplorers

Reserves & Production



Reserves & Production

Production - Actual & Forecast 2P Production



Reserves

NZOG's remaining Proven and Probable [2P] Oil & Gas Reserves as at 30 June 2014:	Oil & Condensate (million barrels)	Natural Gas (petajoules)	LPG (kilotonnes)	Million Barrels of Oil Equivalent*
Kupe	1.6	35	151	8.5
Tui	1.2			1.2
Total				9.7

* Million barrels of oil equivalent have been calculated as the total oil equivalent of the oil, condensate/light oil, natural gas and LPG figures, using conversion facts consistent with the Society of Petroleum Engineers (SPE) guidelines.

Geographical location: New Zealand

			Production	1P			2P		
Statement Date			FY2013/14	Developed	Undeveloped	Total	Developed	Undeveloped	Total
30/6/2013	OIL	mmbbl		1.8	0.1	1.9	2.0	0.6	2.6
30/6/2013	GAS	PJ		23.6	3.9	27.5	25.5	13.2	38.7
30/6/2013	LPG	ktonnes		101.2	15.8	117.0	109.6	55.4	165.0
30/6/2014	OIL*	mmbbl	0.5	1.8	0.1	1.9	2.3	0.6	2.8
30/6/2014	GAS	PJ	3.5	20.1	3.9	24.0	22.0	13.2	35.2
30/6/2014	LPG	ktonnes	14.4	86.8	15.8	102.6	95.1	55.4	150.6

* Effective 1 October 2013, New Zealand Oil & Gas increased its share of Tui oil fields Reserves from 12.5% to 27.5% by purchasing a further 15% participating interest in the Tui Mining Permit.

Reserves are the quantities of petroleum anticipated to be commercially recoverable from known accumulations from a given date forward; that are judged to be discovered, recoverable, commercial and remaining.

Proven [1P] reserves are the estimated quantities of oil and gas which the geological and engineering data demonstrate with reasonable certainty [90% chance] to be recoverable in future years from known reservoirs, under existing economic and operating conditions. Probable [2P] reserves are defined as those which have a 50% chance or better of being technically and economically producible.

Developed reserves are those expected to be recoverable from existing wells and facilities. Undeveloped reserves are those that will be recovered through future investments [e.g. through installation of compression, new wells into different but known reservoirs, or infill wells that will increase recovery]. Total reserves are the sum of developed and undeveloped reserves at a given level of certainty.

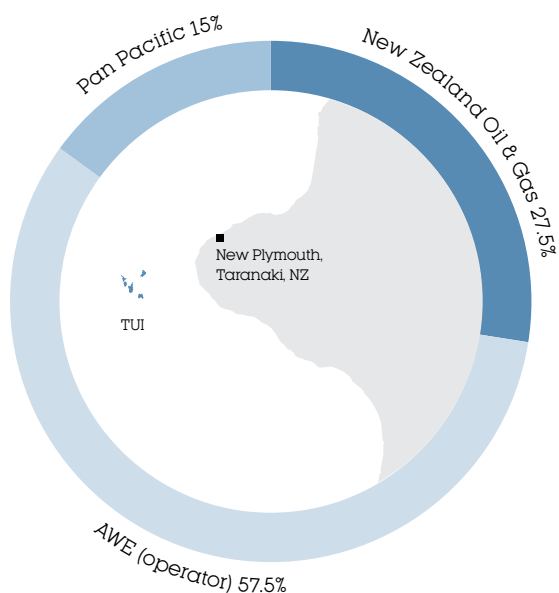
Oil and gas reserves are reported as at 30 June 2014, and in accordance with Section 10.11 of the NZX Listing Rules.

The Tui Reserves estimate is based on the latest information provided by the field operator. The estimate is the result of decline curve analysis of the Tui, Pateke and Amokura well production data.

The Kupe Reserves estimate is based on the latest information provided by the field operator. It is the result of deterministic reservoir simulation modelling by the operator using a compositional simulator, matched with current production history on a well by well basis.

New Zealand Oil & Gas Vice-President Operations and Engineering Andrew Jefferies reviews reserves holdings twice a year by reviewing data supplied from the field operator and comparing assessments at scheduled Technical Committee Meetings. The stated reserves are consistent with reserves publicly stated by the field operators. The statement has been peer reviewed by Michael Adams Reservoir Engineering Limited.

This reserves statement is approved by New Zealand Oil & Gas Vice-President Operations and Engineering Andrew Jefferies BEng [Mech Hons], Msc Pet Eng MBA, an SPE [Society of Petroleum Engineers] Certified Petroleum Engineer with over 23 years of industry experience. This reserves statement is based on, and fairly represents information and supporting documentation prepared by Mr Jefferies from information derived from the respective field operators.



Tui

Tui production remained stable throughout the year. Two shutdowns occurred: to commission the Crude Oil Burning project, and to carry out flowline replacement. These were executed on schedule and without incident.

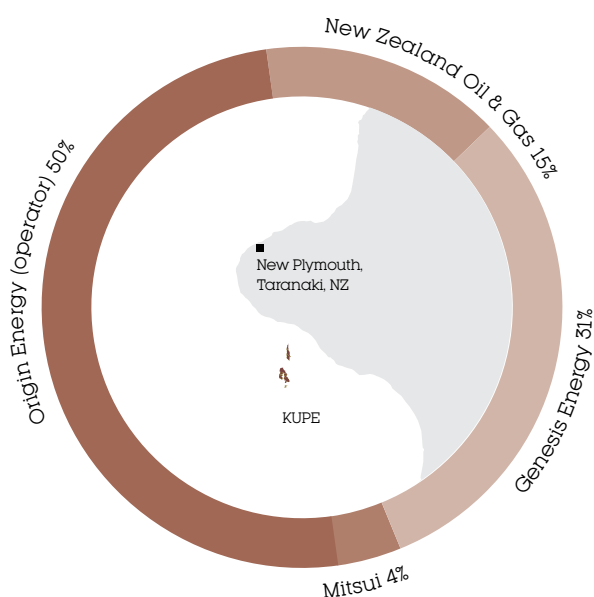
The Crude Oil Burning project will allow cheaper crude oil to be used as fuel rather than diesel and will significantly reduce operating costs, although with the loss of some oil reserves (an estimated 100,000 bbl), which has been reflected in the 30 June Reserves.

In Q3 the Tui operation completed a year Lost Time Injury free, an important HSE milestone.

The Tui area oil fields, lie 50 kilometres off the Taranaki coast of New Zealand and have now produced more than 34 million barrels of oil.

In October 2013 New Zealand Oil & Gas more than doubled its interest in the field, from 12.5 per cent to 27.5 per cent when Mitsui E&P Australia Pty Limited sold its 35 per cent share to the remaining Tui partners. The other partners are Australian Worldwide Exploration [AWE] (Operator), 57.5%; and Pan Pacific Petroleum, 15%.

The Tui development includes four production wells from three separate oil accumulations; Tui, Pateke and Amokura. The Pateke-4H well was drilled in 2014 and is being tied back to the Tui FPSO for production in 2015.



Kupe

Production has been stable throughout the year with excellent plant availability exceeding 99% in the later stages of the year. Some outages were experienced on the Amine plant, which reduced LPG yield over the last quarter of 2013 but were resolved in the first quarter of 2014.

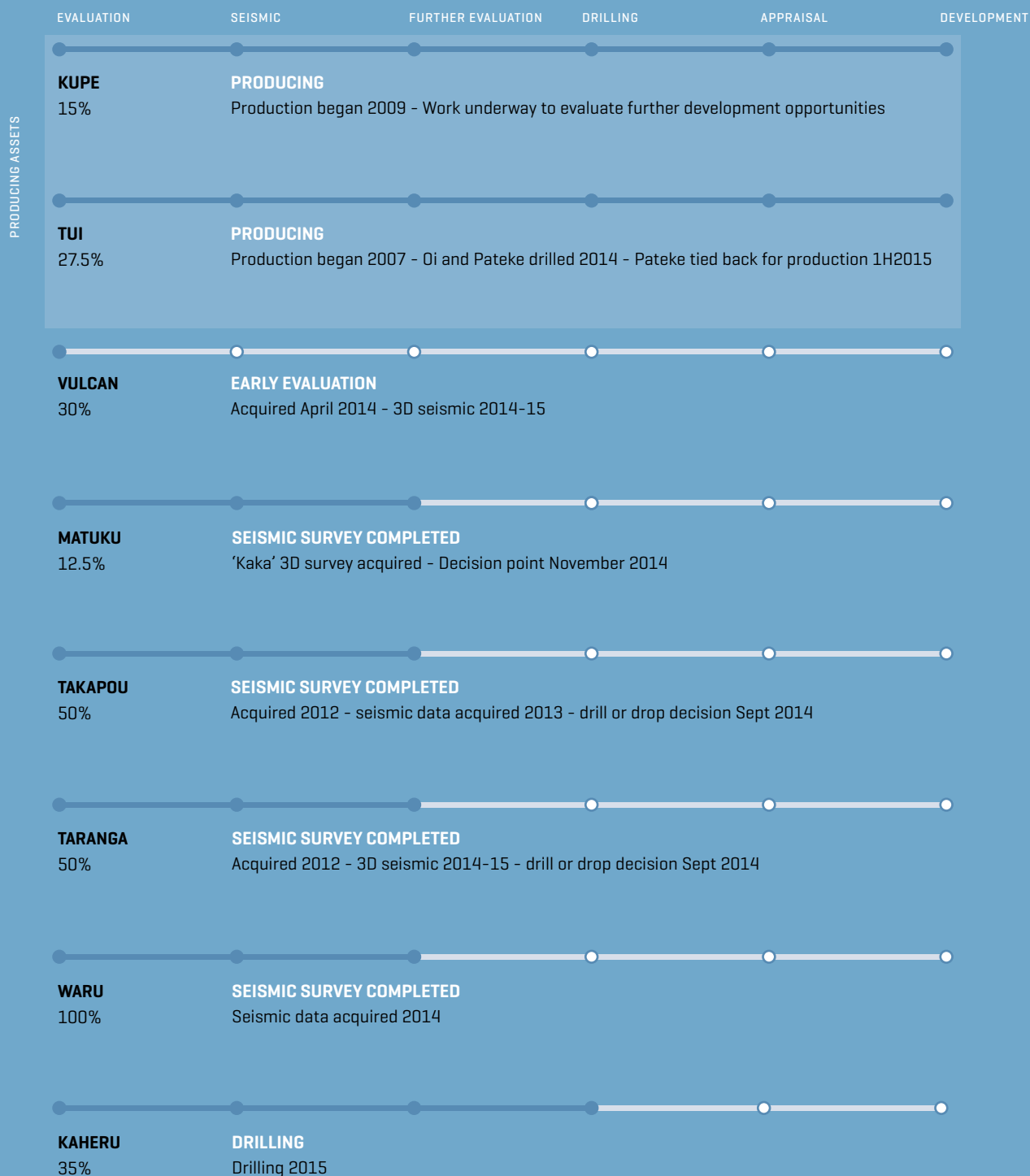
Shutdowns and statutory inspections were carried out on the Amine and MEG units. These were completed 5 days ahead of plan with no material unexpected defects.

New Zealand Oil & Gas has a 15% stake in the Kupe gas and oil field, which lies 30 kilometres off the South Taranaki coast of New Zealand. It produces sales gas, LPG and light oil.

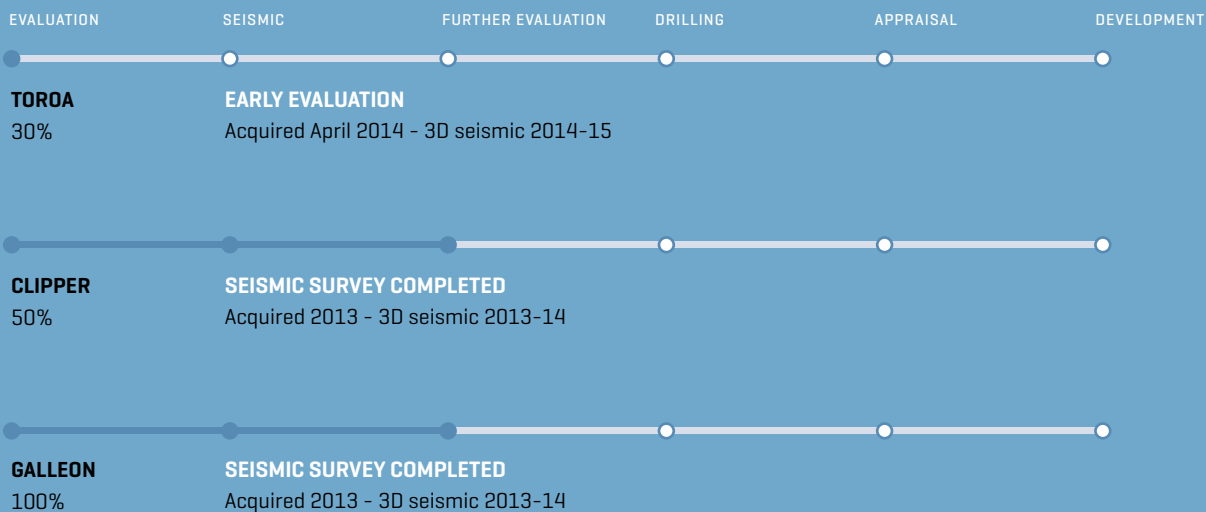
The company's Kupe partners are Origin Energy (50%), Genesis Energy (31%), and Mitsui (4%). The Kupe Central Field Area comprises three production wells, a normally unstaffed offshore platform, a 30 kilometre pipeline and associated umbilical pipeline to shore, an onshore production facility near Hawera, and oil storage facilities at New Plymouth.

Permit Progress

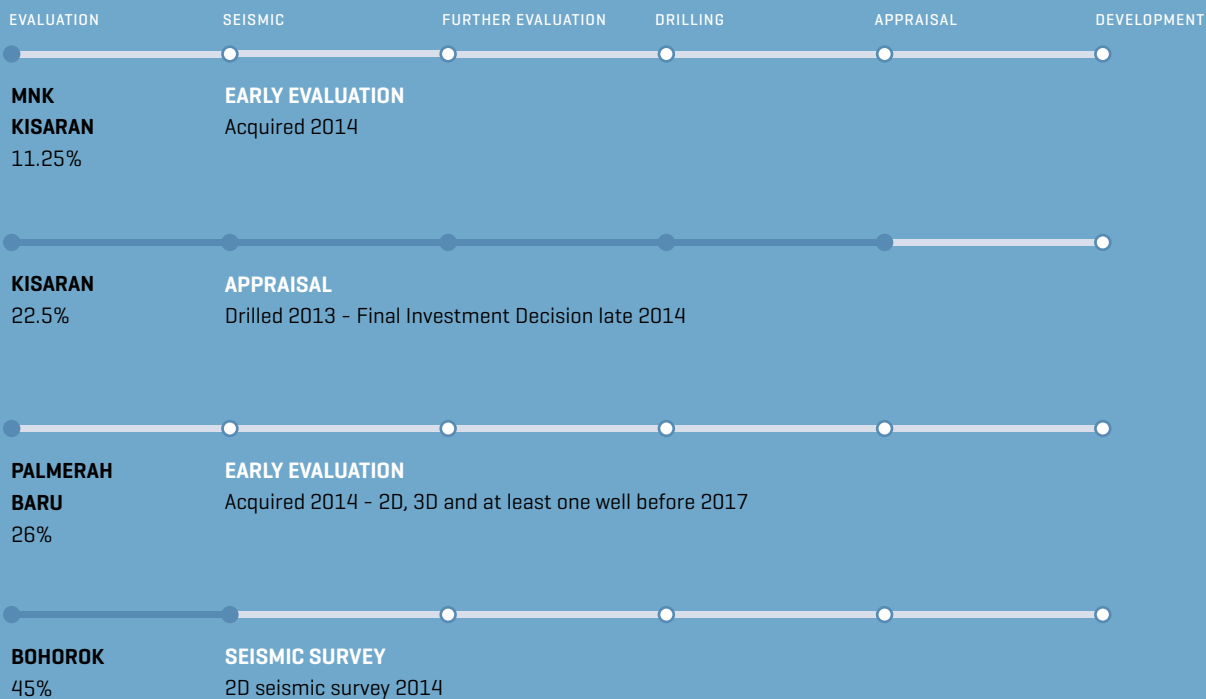
Taranaki



Canterbury Great South Basin



Indonesia



Exploration - New Zealand

Taranaki

New Zealand Oil & Gas participated in drilling prospects in the Matuku permit, and in the Tui permit at Oi and Pateke-4H.

Seismic surveys were run in the Matuku and Waru permits.

The Vulcan permit was acquired in the 2013 Block Offer and during the year the Kanuka, Kakapo and onshore Maniaia permits were relinquished.

The company is preparing to drill (as operator) in the Kaheru prospect in 2015 and studying options for further exploration in the producing Kupe permit.

Matuku [PEP 51906]

Seismic survey completed



12.5% New Zealand Oil & Gas

65% OMV [Operator]

22.5% Octanex

The Matuku permit covers 1,613 square kilometres and is adjacent to three producing fields with the Maui gas/condensate field to the east, Tui oil field to the north-east and Maari to the south.

The Matuku prospect was drilled in the 2013-14 summer. The well encountered expected sandstones in the primary and secondary targets [Kapuni Group F-sands and North Cape Formation] but commercial volumes of oil and gas were not present.

Processing is underway on the results of the 'Kaka' 3D seismic survey acquired last summer over exploration leads in the southern half of the Matuku permit. Results are expected in October. Interpretation of this data will contribute to a decision that must be made by November about the future of the permit. To continue, the joint venture must decide whether to collect more 3D seismic data and drop 25% of the permit area, or to drop 50% of the acreage without acquiring new seismic data.

Vulcan [PEP 55793]

Early evaluation



30% New Zealand Oil & Gas

70% Woodside Energy [New Zealand] [Operator]

'Vulcan' covers 2418 square kilometres. The permit is frontier deepwater acreage in which no wells have been previously drilled. A 3D seismic survey will be conducted in the summer of 2014-15.

Takapou [PEP 53473]

Decision Sept 2014



50% New Zealand Oil & Gas [Operator]

50% Octanex

The 853 square kilometre permit is situated in relatively shallow water depth [120m - 135 metres], immediately adjacent to the Tui oil field which produces from the same Paleocene age 'F' Sands that are expected in the south-east part of the permit.

The permit is covered by a dense grid of 2D seismic data which has been reprocessed and re-mapped. In early 2013 a 595 square kilometre 3D seismic survey was acquired over the Kokako and Toutouwai Leads.

The Joint Venture is undertaking a farm-out campaign to bring in a new JV partner prior to making a drilling commitment by September. If a decision is made to commit to a well, it would need to be drilled by March 2016.

Taranga [PEP 52593]

Decision Sept 2014



50% New Zealand Oil & Gas [Operator]

50% Octanex

This permit covers 3,509 square kilometres in offshore Taranaki lying immediately adjacent to the north of the Takapou permit [PEP 53473] and north of the producing Tui field in the Western Taranaki fairway.

In early 2013 a 298 square kilometre 3D seismic survey was acquired over the Karoro Lead. Efforts to farm out equity in the permit are proceeding ahead of a decision by September whether to drill a well before March 2016.

Tui [PMP 38158]

Producing



27.5% New Zealand Oil & Gas

57.5% AWE (Operator)

15% Pan Pacific Petroleum

The Tui Mining Permit covers 467 square kilometres.

During the financial year New Zealand Oil & Gas increased its interest in the Tui asset from 12.5 per cent to 27.5 per cent.

Two wells were drilled within the Tui permit with the Kan Tan IV in 2014.

The Pateke-4H well intersected an oil-bearing reservoir as expected.

The Pateke structure resembles two shallow upturned bowls side by side, up to five or six kilometres across and only nine or ten metres deep. The existing Pateke field draws oil from one bowl and the bottom of the second. Pateke-4H drilled into the second bowl, and then horizontally across it to drain resources not being reached in the first.

Horizontal drilling into Pateke-4H ceased at 4,772 metres, earlier than the 5,361 metres planned because of concerns about instability in the well. As the reservoir conditions encountered were better than expected, the shorter horizontal section should provide a recovery rate similar to the results experienced in the neighbouring Pateke 3H well.

Pateke-4H has been suspended and planning is underway to install subsea infrastructure and a tie-line back to the Tui FPSO, Umuroa. Work will begin early next year with production expected in the first half of 2015.

Following Pateke, the Kan Tan IV rig moved to the Oi prospect about 12 kilometres to the Northeast, to test whether some of the resources that filled the Tui fields had migrated to this structure. New Zealand Oil & Gas assessed the chance of commercial success at 16 per cent, and participated at a reduced equity.

After encountering difficulties the joint venture decided to abandon Oi-1 and drill a new well, Oi-2, nearby.

It reached a total depth of 3,908 metres on 7 July, but no significant oil shows were encountered and real time well data indicated that the reservoir is water bearing.

Oi-2 was plugged and abandoned.

Kaheru [PEP 52181]

Drilling 2015



35% New Zealand Oil & Gas (Operator)

40% TAG Oil

25% Beach Energy

The Kaheru prospect lies in 25 metres of water, 8 kilometres from shore to the east of the Kupe gas and oil field in an exploration permit which covers 312 square kilometres.

It is located on a prolific hydrocarbon trend, with multiple oil and gas fields located to the north, with the closest of those being the Kauri, Rimu & Manutahi fields about 10 kilometres away. Multiple reservoir targets are identified and have been significantly de-risked following extensive study including reverse time migration reprocessing, structural modeling and detailed sedimentological analysis.

Preparations are well underway for an exploration well to be drilled in the Kaheru prospect using a jack-up rig. A rig will not be available before the second half 2015.

The Kaheru prospect is a long-recognised structure with the potential to extend the producing trend southward. 3D seismic coverage and advanced processing undertaken by the joint venture has enhanced the structural imaging.

Waru [PEP 54857]

Seismic survey completed



100% New Zealand Oil & Gas (Operator)

Waru is offshore on Taranaki's south coast covering around 525 square kilometres. No wells have been drilled in this permit. The block lies within the source kitchen for the Maui and Maari oil and gas fields.

A 2D seismic survey over about 540 kilometres was completed in April 2014 by the vessel Aquila Explorer, and data has been sent for processing. The company must make a decision by December 2016 whether to commit to drilling a well, which would be required before the end of 2017.

Canterbury Great South Basin

The Canterbury and Great South Basins are the major focus for frontier conventional oil and gas exploration in New Zealand.

In the financial year, New Zealand Oil & Gas conducted 3D seismic surveys in the Clipper and Galleon permits, and acquired an interest in the Toroa permit.

Galleon [PEP 55792]

Seismic survey completed



100% New Zealand Oil & Gas [Operator]

The permit was formally awarded on 1 April 2014. The seismic commitment for this permit was completed in early January.

The survey mapped a tie line from a previous well in Galleon in the 1980s to the Clipper 3D survey, which helps geophysicists analyse the Clipper subsurface potential by tying seismic lines to actual drill results.

A decision on whether further 3D seismic will be conducted in the permit has to be made before October 2015.

Clipper [PEP 52717]

Seismic survey completed



50% New Zealand Oil & Gas [Operator]

50% Beach Energy

This permit is off the Canterbury coast and covers 3,423 square kilometres.

Extensive 2D seismic surveys were conducted in the Canterbury Basin in the 1970s and 1980s. The only existing well in the block, Clipper-1, was drilled in the mid-1980s and identified hydrocarbons during wireline logging from a depth of over 4000 metres.

New Zealand Oil & Gas completed a 3D seismic survey covering approximately 700 square kilometres on 31 December 2013.

Toroa [PEP 55794]

Early evaluation



30% New Zealand Oil & Gas

70% Woodside Energy [New Zealand 55794] [Operator]

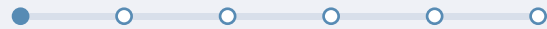
'Toroa' is southeast of the South Island and covers 9835 square kilometres. Two wells have previously been drilled in PEP 55794 and encountered non-commercial hydrocarbon shows.

Planning is underway towards a 3D seismic survey in the summer of 2014-15.

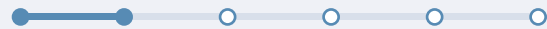
PROGRESS BAR KEY

Progress bars indicate stages of exploration indicated in this report.

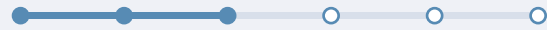
Early evaluation



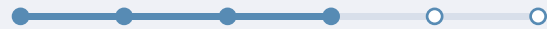
Seismic



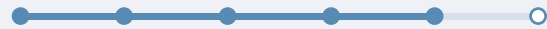
Seismic survey completed



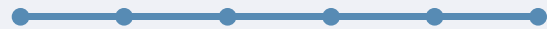
Drilling



Appraisal



Development



A balanced portfolio aims for prospects at each stage so that there are enough in progress to replace producing reserves as they decline.

A typical portfolio has more prospects at early stages and fewer close to development because each stage of evaluation will screen out some prospects – the most promising theories are evaluated with seismic surveys, then prospects are weighed to test whether they are economic to drill. Unsuccessful drilling removes more. The portfolio also aims to keep annual exploration spend around the target by balancing equity levels, the cost of activities, jurisdiction and play types.

Indonesia

Kisaran Production Sharing Contract

Appraisal



22.5% New Zealand Oil & Gas

55% Pacific Oil & Gas [Operator]
22.5% Bukit Energy

This block, located in the Central Sumatra Basin, covers an area of 871 square kilometres.

Two wells in the PSC were successfully drilled in 2013. A Plan of Development is in the final stages of drafting and will be submitted to the government regulator before year end. The associated final investment decision is expected then.

Bohorok Production Sharing Contract

Seismic survey



45% New Zealand Oil & Gas

45% Bukit Energy [Operator]
10% Surya Buana Lestarijaya Bohorok

This block in the Northern Sumatra Basin covers an area of approximately 5,000 square kilometres.

The focus of work in 2014 has been acquisition of a 2D seismic survey of approximately 260 linear kilometres. In combination with ongoing technical work, this survey will allow the potential drilling targets to be prioritised.

Palmerah Baru Production Sharing Contract

Early evaluation



36% New Zealand Oil & Gas

54% Bukit Energy [Operator]
10% PT SNP Indonesia

This Production Sharing Contract in onshore south Sumatra covers approximately a thousand square kilometres in a prolific producing basin. The Palmerah Baru block is surrounded by oil and gas fields, including a very large field to the south and a recent discovery to the south-southeast. Because of successful developments in the area, the infrastructure necessary to transport product to markets is nearby.

Under the Production Sharing Contract the joint venture will be committed to an initial three-year exploration work programme to include both 2D and 3D seismic acquisition and one exploration well before 2017.

MNK Kisaran Production Sharing Contract

Early evaluation



11.25% New Zealand Oil & Gas

33.75% Bukit Energy
55% Pacific Oil & Gas [Operator]

This permit covers the rights to explore 'unconventional' oil and gas resources in the same sub-basin as the conventional Kisaran PSC.

Unconventional resources are those where substantial volumes of oil and gas are believed to be present, but the rate of production is limited by poor quality reservoir rocks. Commercial development of some of these resources has been made possible by new extraction technologies, particularly in North America.

The joint venture equity shares in the unconventional resource differ from shares in the conventional PSC.

The first three-year work commitment includes geological and geophysical studies in each year and drilling a vertical exploration well in year three.

Tunisia

Diodore Prospecting Permit

100% New Zealand Oil & Gas [Operator]

This offshore permit covers an area of 1,248 square kilometres in relatively shallow [less than 100 metres] water depth and is in the southern Gulf of Gabes, an established oil and gas producing region off the coast of Tunisia. It was originally granted for a 2 year term from September 2011, which was extended for a 3rd year due to delays in accessing existing seismic data for reprocessing.

While results from seismic work confirmed the existence of the opportunities that attracted New Zealand Oil & Gas to the permit, the leads were believed to be smaller than either potential farmin partners or New Zealand Oil & Gas were seeking.

The prospecting permit expires at the end of September. New Zealand Oil & Gas has notified the regulator that it does not intend to commit to a well in the next three years, which would have been required to convert the permit to an exploration permit. When the prospecting permit expires the company will no longer have involvement in Tunisia.



INDONESIA

Palmerah Baru Production Sharing Contract
36% New Zealand Oil & Gas

Kisan Production Sharing Contract
22.5% New Zealand Oil & Gas

Bohorok Production Sharing Contract
45% New Zealand Oil & Gas

MNK Kisan Production Sharing Contract
11.25% New Zealand Oil & Gas
33.75% Bulk Energy (Operator)
55% Pacific Oil & Gas

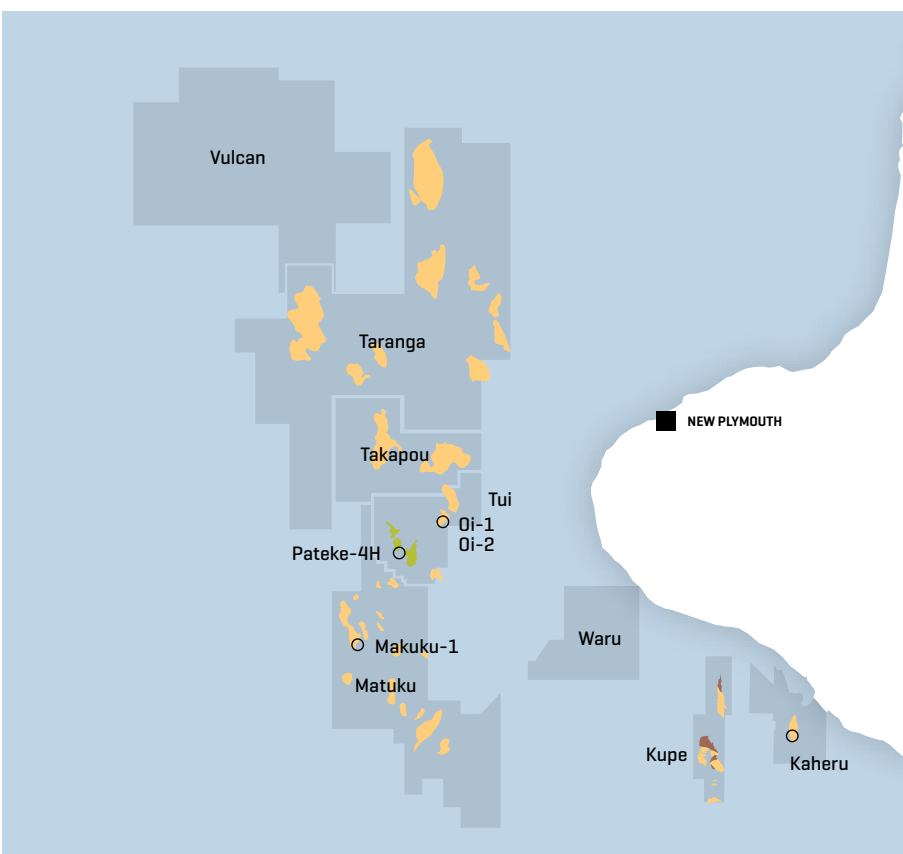
MAP LEGEND

■ New Zealand Oil & Gas Permits



TUNISIA

Diodore Prospecting Permit
100% New Zealand Oil & Gas



OFFSHORE TARANAKI BASIN NEW PLYMOUTH

Vulcan (PEP 55793)
30% New Zealand Oil & Gas

Taranga (PEP 52593)
50% New Zealand Oil & Gas

Takapou (PEP 53473)
50% New Zealand Oil & Gas

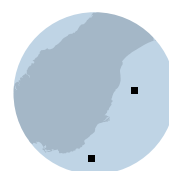
Matuku (PEP 51906)
12.5% New Zealand Oil & Gas

Tui (PEP 38158)
27.5% New Zealand Oil & Gas

Kaheru (PEP 52181)
35% New Zealand Oil & Gas

Waru (PEP 54857)
100% New Zealand Oil & Gas

Kupe (PEP 38146)
15% New Zealand Oil & Gas



OFFSHORE CANTERBURY - GREAT SOUTH BASIN CANTERBURY

Clipper (PEP 52717)
50% New Zealand Oil & Gas

Galleon (PEP 55792)
100% New Zealand Oil & Gas

Toroa (PEP 55794)
30% New Zealand Oil & Gas

MAP LEGEND

- Gas
- Oil
- Prospects & Leads
- New Zealand Oil & Gas Permits
- Wells

Directors



Rodger J Finlay

Independent Director



David Scoffham

Independent Director



Mark Tume

Independent Director



Peter Griffiths

Independent Chairman



Andrew Knight

Chief Executive &
Managing Director

Rod Ritchie

Independent Director

Paul Foley

Independent Director

Directors

Peter Griffiths - Independent Chairman

Peter Griffiths joined the Board of New Zealand Oil & Gas in December 2009, having retired after 21 years with BP, the last 10 years of which he was Managing Director of BP NZ. Peter was previously involved in offshore oil and gas field operations in Australasia, Malaysia and the United Kingdom. He is Chairman of Z Energy, Deputy Chair of the Civil Aviation Authority, and is on the Board of Marsden Maritime Holdings, and New Zealand Diving and Salvage Ltd. He holds a BSc [Hons] from Victoria University in Wellington.

Rodger J Finlay - Independent Director

Rodger Finlay joined the Board of New Zealand Oil & Gas in February 2012. Rodger has more than thirty years experience in the financial services industry including senior investment banking and funds management positions with a range of major institutions, specialising in the global natural resource sectors. Rodger has a Bachelor of Commerce [Accounting and Finance] from the University of Otago. He is a member of the NZ Institute of Chartered Accountants and the NZ Institute of Directors. He is currently Chairman of Mundane Asset Management, Deputy Chairman of Rural Equities Limited, a Board Member of Tandou Limited and a Director of Moeraki Limited.

Paul Foley - Independent Director

Paul Foley became a director of New Zealand Oil & Gas in 2000. He obtained an LLB and BCA from Victoria University of Wellington and is a senior corporate/commercial lawyer based in Wellington, where he is a partner in Minter Ellison Rudd Watts. Paul has over 25 years experience working with companies in the financial services, manufacturing and energy fields, with significant involvement with major petroleum exploration and production companies. He is currently Chairman of the Board of Grosvenor Financial Services Group Limited, and Deputy Chairman of the Board of the National Provident Fund.

Andrew Knight - Chief Executive and Managing Director

Andrew Knight joined the Board of New Zealand Oil & Gas in January 2008. He is a Chartered Accountant and graduate of Waikato University with a BMS [Hons]. Andrew had his own consultancy business and previously held executive management roles with Vector and NGC and worked in New Zealand and Australia with The Australian Gas Light Company, Fletcher Challenge Energy and Coopers & Lybrand. His other directorships include the Petroleum Exploration and Production Association of New Zealand, Gas Industry Company Ltd and Sea Group Holding Ltd. He is a member of the NZ Institute of Chartered Accountants.

Rod Ritchie - Independent Director

Rod Ritchie joined the board of New Zealand Oil & Gas in 2013. He graduated with a BSc, University of Tulsa. He has 36 years of experience as a line manager and a Health, Safety, Security and Environment executive in the oil and gas industry – including being the Corporate Senior Vice President of HSSE at OMV based in Vienna. Other Directorships include Sparc [Aust] Pty Ltd and is a member of the Society of Petroleum Engineers.

David Scoffham - Independent Director

David Scoffham joined the Board of New Zealand Oil & Gas in 2003. David is a geophysicist with more than 40 years international experience in the upstream oil and gas industry, including exploration management at Shell International and UK Independent Enterprise Oil plc. David is a graduate of Christ Church Oxford [MA Physics] and Imperial College, London [MSc Geophysics].

Mark Tume - Independent Director

Mark joined the Board of New Zealand Oil & Gas in February 2012. Over a 25-year career in infrastructure and finance, Mark has held a variety of senior roles in areas such as investment banking, capital markets, asset and liability management, and risk control. Mark is now a full time director and is also on the Boards of the New Zealand Refining Company, Infratil [and related subsidiaries], and the Guardians of New Zealand Superannuation. Mark holds a Bachelor of Business Studies and a Diploma in Banking Studies [Treasury Management] from Massey University and was awarded the Hunter Fellowship from Victoria University in 2008.

Management

Andrew Knight - Chief Executive and Managing Director

Andrew Knight has been CEO since late 2011.

John Bay - Vice President and General Manager Commercial

John joined New Zealand Oil & Gas in a permanent role in February 2012 after a period working as a consultant to the company. John has over 30 years international oil and gas experience. He was Managing Director of L&M Energy Ltd and held senior management positions with Mighty River Power and Fletcher Challenge Energy. Before immigrating to New Zealand in 1990, John worked in the United States in various petroleum engineering assignments for Tenneco Oil and Gulf Oil. He is a past chairman of the Petroleum Exploration and Production Association of New Zealand (PEPANZ) and is currently a non-executive director of the industry training organisation, EXITO. John is a registered Professional Engineer [Petroleum and Natural Gas Engineering] in Texas.

Andre Gaylard - Chief Financial Officer

Andre Gaylard joined New Zealand Oil & Gas in May 2012. He is a Chartered Accountant [South Africa] and graduate of the University of Cape Town. Since arriving in New Zealand in 2006 Andre has held CFO positions in two listed companies. Prior to that he worked in senior finance roles at a number of global investment banks in the United Kingdom, including Deutsche Bank, Credit Suisse and Barclays Capital.

Bill Houston - General Manager, Exploration

Dr Houston joined New Zealand Oil & Gas in 2011, and was appointed General Manager, Exploration in early 2014. He has spent the past fifteen years in exploration, development and new ventures. He worked in onshore U.S. conventional and unconventional exploration and also raising private equity for exploration and development projects. In 2010 he was an offshore senior geologist with PTTEP in Bangkok, Thailand. From 2009 to 2011 he served on the executive committee of the American Association of Petroleum Geologists. He has a PhD in Geology from Michigan Technological University.

Andrew Jefferies - Vice President and General Manager Operations and Engineering

Andrew Jefferies started his career with Shell in Australia after graduating with a BEng [Mechanical Hons] from the University of Sydney in 1991. He has worked in Australia, Germany, the United Kingdom, Thailand and Holland, in Operations and Petroleum Engineering – gaining an MBA [technology management] from Deakin University in Australia, and an MSc [Petroleum Engineering] from Heriot-Watt University in Scotland. He joined Austrian Company OMV in New Zealand in 2007 and took up his current role with New Zealand Oil & Gas in early 2013.

Ralph Noldan - General Counsel and Company Secretary

Ralph Noldan joined New Zealand Oil & Gas in November 2009. After graduating with a BCA from Victoria University of Wellington, Ralph worked as an accountant in the petroleum industry in New Zealand and the UK. In Sydney, Ralph graduated as a lawyer and was Company Secretary for an ASX listed petroleum exploration company for over 8 years. He then moved into private legal practice, working in the resources group of one of Australia's preeminent law firms, Mallesons Stephen Jaques. Prior to returning to New Zealand, Ralph was a partner at another Australian national law firm, Holding Redlich.

John Pagani - External Relations Manager

John Pagani joined New Zealand Oil & Gas in September 2012. He has a degree in politics from the University of Auckland and a law degree from Victoria University of Wellington. After working as a news producer at Newstalk ZB in Auckland, he moved to Parliament where he worked as a communications director and senior strategist, taking time out to start a public affairs consultancy specialising in development in 2002.

Management



Andrew Jefferies

Vice President and General Manager
Operations and Engineering

John Pagani

External Relations Manager

Ralph Noldan

General Counsel and Company
Secretary



Andrew Knight

Chief Executive

John Bay

Vice President and General
Manager Commercial

Bill Houston

General Manager, Exploration

Andre Gaylard

Chief Financial Officer



Shareholder Information

Stock Exchange Listing

The Company's securities are listed on the New Zealand Stock Exchange [NZX] and the Australian Stock Exchange [ASX].

Securities On Issue

As at 26 August 2014 New Zealand Oil & Gas Limited had the following securities:

Listed Ordinary Shares:	Unlisted Partly Paid Shares:
415,996,153 shares	7,821,000 shares
14,795 holders	23 holders

Top 20 Shareholders

Top 20 registered holders of Listed Ordinary Shares as at 26 August 2014:

Name	Shares Held	% of Issued Capital
1 HSBC Nominees [New Zealand] Limited A/C State Street	65,033,906	15.63%
2 JPMorgan Chase Bank NA NZ Branch	22,550,276	5.42%
3 Citibank Nominees [New Zealand] Limited	14,248,458	3.42%
4 Leveraged Equities Finance Limited	13,711,210	3.29%
5 Resources Trust Limited	10,472,932	2.51%
6 National Nominees New Zealand Limited	10,157,961	2.44%
7 Accident Compensation Corporation	9,968,522	2.39%
8 BNP Paribas Nominees [NZ] Limited	9,177,375	2.20%
9 Sik-On Chow	5,350,000	1.28%
10 New Zealand Superannuation Fund Nominees Limited	4,792,333	1.15%
11 Resource Nominees Limited	4,664,161	1.12%
12 Riuo Hauraki Limited	4,102,623	0.98%
13 Citicorp Nominees Pty Limited	3,160,192	0.75%
14 FNZ Custodians Limited	2,937,177	0.70%
15 Custodial Services Limited	2,822,145	0.67%
16 HSBC Nominees [New Zealand] Limited	2,532,791	0.60%
17 TEA Custodians Limited	2,358,570	0.56%
18 ASB Nominees Limited	2,129,030	0.51%
19 Chung King Tan	2,034,000	0.48%
20 ASB Nominees Limited	1,800,000	0.43%

In the above table the holdings of New Zealand Central Securities Depository Limited have been reallocated to the applicable members.

Substantial Shareholders

Substantial Shareholder Notices are received pursuant to the Securities Markets Act 1988. Shareholders are required to disclose their holding to the issuer and the issuer's registered exchanges when:

- they begin to have a substantial holding (5% or more of the listing voting securities);
- subsequent movements of 1% or more in a substantial holding from prior notification;
- any change is made in the nature of any relevant interest in the substantial holding; and
- they cease to have a substantial holding.

The following Substantial Shareholder Notices were received since the date of the last Annual Report, in respect of holdings of ordinary shares of New Zealand Oil & Gas Limited:

Date	Shareholder	Shares Held	% of Issued Capital
3 October 2013	Zeta Resources Limited	38,045,953	9.24%
25 November 2013	Zeta Resources Limited	42,261,540	10.26%
24 January 2014	Blair Tallott ¹	19,786,065	4.80%
24 January 2014	Accident Compensation Corporation (ACC)	19,770,892	4.80%
3 February 2014	Zeta Resources Limited	51,184,225	12.42%
10 April 2014	Zeta Resources Limited	57,367,545	13.79%
15 May 2014	Zeta Resources Limited	62,056,764	14.92%
11 July 2014	Zeta Resources Limited	72,073,046	17.33%

1. Blair Tallott held 15,173 shares [0.004%] as a beneficial owner, while also managing the holdings of Accident Compensation Corporation (ACC) 19,770,892.

As at 26 August 2014 there were no other substantial shareholders with 5% or more of the Ordinary Shares [HSBC Nominees (New Zealand) Limited A/C State Street and JPMorgan Chase Bank NA NZ Branch are above 5% but hold the shares on behalf of a number of beneficial shareholders].

Distribution of Security Holders

As at 26 August 2014:

Number of Shares	Holders of Listed Ordinary Shares	Holding Quantity of Listed Ordinary Shares %	Holders of Unlisted Partly Paid Shares	Holding Quantity of Unlisted Partly Paid Shares %
1 to 99	157	0.0%		
100 to 199	57	0.0%		
200 to 499	201	0.0%		
500 to 999	1,708	0.3%		
1,000 to 1,999	2,360	0.8%		
2,000 to 4,999	2,996	2.2%		
5,000 to 9,999	2,285	3.7%		
10,000 to 49,999	3,341	16.0%	3	1.5%
50,000 to 99,999	445	6.9%	5	5.1%
100,000 to 499,999	345	15.2%	11	39.0%
500,000 to 999,999	27	4.3%	2	15.8%
1,000,000 to 999,999,999	32	50.6%	1	38.6%
Total	13,954	100.0%	22	100.0%

On 26 August 2014 there were 428 holders with non-marketable parcels of shares as determined by the NZX (under 500 shares), and 1,621 holders as determined by the ASX (under A\$500 in value).

Voting Rights

Article 16 of the Company's Constitution states that a shareholder may exercise the right to vote at a meeting of shareholders either in person or through a representative. Where voting is by show of hands or by voice every shareholder present in person or by representative has one vote. In a poll every shareholder present in person or by representative has one vote for each fully paid share. Unless the Board determines otherwise, shareholders may not exercise the right to vote at a meeting by casting postal votes. The Board has determined, for the purpose of the 2013 Annual Meeting, that postal voting will be permitted.

Trading Statistics

For the 12 months ended 30 June 2014	High	Low	Volume
NZX [Trading Code NZO]	NZ\$0.86 on 7/11/13	NZ\$0.75 on 11/1/14	82,201,300
ASX [Trading Code NZO]	A\$0.77 on 13/03/14	A\$0.69 on 13/09/13	3,812,500

Dividend Payments and Reinvestment Plan

Dividend Payments

The company declared an unimputed final dividend for the year of 3 cents per share, which was paid 26 September 2014 to shareholders on record as at 12 September 2014. An unimputed interim dividend of 3 cents per share was paid to shareholders in April 2014.

Dividend Reinvestment Plan

The company's Dividend Reinvestment Plan (Plan) remains in operation for shareholders resident in New Zealand and Australia. These shareholders can choose to invest all or part of their future dividends in taking up additional shares, instead of receiving cash. New shares issued under the Plan will be offered at the weighted average sale price for shares sold on each of the first five business days immediately following the dividend record date. Shareholders who wish to participate in the Plan or amend previous participation instructions may do so by completing a Participation Notice by 5pm on 12 September 2014 for the current dividend payment. Full Terms and Conditions of the Plan and the Participation Notice are available on the company's website at www.nzog.com/drp

Direct Crediting of Dividends Payments

To minimise the risk of fraud and misplacement of dividend cheques shareholders are strongly recommended to have all payments made by way of direct credit to their nominated New Zealand or Australian bank account. This can be done by simply giving the share registry written notice.

Share Registries

Details of the company's share registries are given in the Corporate Directory on the inside back cover of this report. Shareholders with enquiries about share transactions, changes of address or dividend payments should contact the share registry in the country in which their shares are registered.

Financial Summary

All numbers are quoted in NZ dollars and millions

Summary of Financial Performance	FYE14	FYE13	FYE12	FYE11	FYE10
Revenue from continuing operations	115.4	108.9	117.3	108.9	100.1
Royalties expense	[7.7]	[9.4]	[12.1]	[8.0]	[7.5]
Earnings before interest, tax, depreciation, amortisation and exploration	75.7	67.8	70.5	58.5	64.5
Exploration expenditure	[29.5]	[15.1]	[2.4]	[3.4]	[30.7]
Earnings before tax, interest, depreciation and amortisation	46.2	52.7	68.1	55.0	33.8
Depn & Amort (net of amortisation in stock movement)	[26.4]	[22.4]	[28.1]	[23.7]	[17.4]
Earnings before tax and interest	19.8	30.3	40.0	31.3	16.4
Net finance income/(costs)	[2.4]	5.9	[7.7]	[102.7]	[9.8]
Share of associate after tax result	0.0	0.0	0.0	0.0	[11.5]
Net profit before tax	17.4	36.2	32.4	[71.4]	[4.9]
Tax	[7.3]	[10.2]	[12.5]	[5.1]	[0.2]
Net Profit after tax	10.1	25.9	19.9	[76.5]	[5.1]

Financial Summary (continued)

Summary of Financial Position	FYE14	FYE13	FYE12	FYE11	FYE10
Assets					
Cash and cash equivalents	135.1	158.0	209.2	149.4	142.4
Other current assets	35.8	32.1	21.4	26.5	22.8
Convertible Bond	0.0	0.0	2.5	35.1	39.9
Investments in associates	0.0	0.0	0.0	0.0	77.1
Exploration and evaluation assets	54.9	44.5	14.9	7.3	6.6
Oil and gas assets	223.8	198.6	218.5	238.8	267.6
Fixed Assets, including intangibles	1.8	0.7	0.4	0.3	0.5
Other financial assets	9.8	11.9	18.1	15.7	19.7
Total Assets	461.2	445.8	485.0	473.2	576.6
Liabilities					
Current liabilities	32.6	20.3	19.1	15.3	20.8
Borrowings	0.8	0.2	46.8	63.3	62.8
Restoration and rehabilitation provision	41.2	30.2	32.4	25.6	29.2
Deferred tax liability	44.5	37.2	31.8	27.1	22.1
Total Liabilities	119.1	87.9	130.0	131.4	134.9
Equity					
Share capital	377.7	370.7	358.6	358.2	353.7
Reserves and retained earnings	[35.6]	[12.7]	[3.6]	[16.4]	88.0
Total Equity	342.1	358.0	355.0	341.8	441.7
Statement of Cash flow	FYE14	FYE13	FYE12	FYE11	FYE10
Net cash inflow/(outflow) from operating activities	88.0	54.3	63.2	68.6	47.4
Net cash inflow/(outflow) from investing activities	[86.6]	[34.0]	17.5	[32.9]	[120.7]
Net cash inflow/(outflow) from financing activities	[18.3]	[71.7]	[24.3]	[15.5]	49.6
Net increase/(decrease) in cash and cash equivalents	[16.9]	[51.4]	56.4	20.2	[23.7]
Cash and cash equivalents at the beginning of the year	158.0	209.2	149.4	142.4	174.8
Cash increase/(decrease) with exchange rate change	[6.0]	0.2	3.4	[13.2]	[8.7]
Cash and cash equivalents at the end of the year	135.1	158.0	209.2	149.4	142.4

FYE – Financial Year End

Directors

Peter Griffiths

Chairman

Rodger Finlay

Paul Foley

Andrew Knight

Managing Director

Rod Ritchie

David Scoffham

Mark Tume

Management

Andrew Knight

Chief Executive & Managing Director

John Bay

Vice President and General Manager Commercial

Andre Gaylard

Chief Financial Officer

William Houston

General Manager, Exploration

Andrew Jefferies

*Vice President and General Manager
Operations and Engineering*

Ralph Noldan

General Counsel and Company Secretary

John Pagani

External Relations Manager

Registered and Head Office

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New Zealand

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New Zealand

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Managing your shareholding online

To change your address, update your payment instructions and to view your registered details including transactions, please visit

www.investorcentre.com/nz

General enquiries can be directed to:

enquiry@computershare.co.nz

Please assist our registry by quoting your CSN or shareholder number when making enquiries.



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