



NEW ZEALAND
OIL & GAS



Quarter ended 30 June 2023

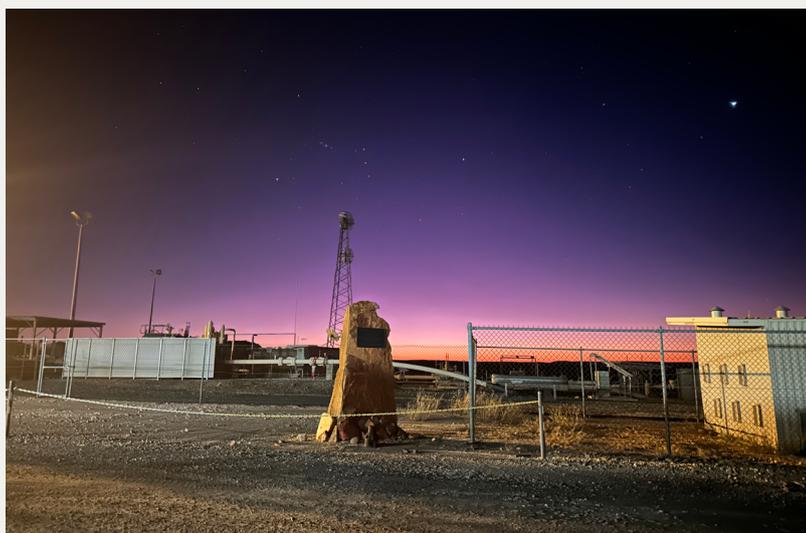
New Zealand Oil & Gas Quarterly Report

ASX:NZO | NZX:NZO

Quarter Highlights

- Reserves upgrade Amadeus Basin
- Production remains steady
- Kupe Joint Venture prepares for drilling KS-9
- Mereenie Joint Venture reviewing potential for infill wells

Introduction



Sunrise over Palm Valley, Amadeus Basin, Australia.

The Company was pleased to recently announce a significant reserves upgrade at our Amadeus Basin assets with Palm Valley increasing reserves by 14% and Dingo increasing by 13%. Refer to the announcement on 27 July 2023 for more information.

New Zealand Oil & Gas [NZO] has been preparing for a busy period of Joint Venture [JV] operations. In the Amadeus Basin, at Mereenie we are planning for infill wells, and looking forward to the arrival of the compressor at Dingo. In the Perth Basin we are working the seismic data and planning for drilling next year. At Kupe, the KS-9 well is due to spud later this year. Cue Energy Resources [Cue] has seen a resurgence in Maari oil production and continues exploration and development work in Indonesia.

Production volumes for the current quarter were 353,065 barrels of oil equivalent [boe], [average 3,923 boe per day]. Previous quarter was 352,904 boe [average 3,965 boe per day].

Future Activities Timeline - NZO & Cue

This table summarises timeline of expected enhancements including the proposed farm-in.*

Asset	2023	2024	2025
Existing Permits	Kupe	Infill Well	
	Mereenie	5x Re-completes & 2x Infill Wells	Further Infill Well(s) Potential Stairway Appraisal
	Palm Valley & Dingo		Dingo Compressor
New Permits	Mahato	Ongoing Development Drilling BA-01 Exploration Well	
	L7	Seismic Interpretation	2 Exploration Wells
	EP 437		1 Exploration Well

*Most activities subject to further approvals.

● MGA ● Development ● Exploration

Financial Performance

The cash balance of NZ\$36.1 million at 30 June 2023 is up NZ\$1.0 million on the prior quarter. Cue contributes NZ\$16.3 million to the cash balance with a prior quarter balance of NZ\$19.7m.

Production receipts of NZ\$20.6 million are down 19% on the prior quarter largely due to receipts for June Maari oil sales of NZ\$3.4 million not being received until after the quarter end. This is off the back of strong Maari production up 18% on the prior quarter.

Deferred consideration of NZ\$1.4 million (representing part of the agreed carry of the development work for the Amadeus assets) was paid in the quarter. The remaining balance is NZ\$0.8 million at 30 June 2023.

Production Receipts By Quarter



Cash Balance By Quarter

During the period from July 2022 to December 2022 the Cash Balance has reduced by NZ\$36.9 million, primarily for the payment of deferred consideration for the Amadeus Basin acquisition and the drilling costs of the Palm Valley 12 [PV-12] well, the fruits of which we have now seen with the recently announced reserves upgrade at Palm Valley. Since January 2023 the cash balance has increased by NZ\$8 million representing the net cash inflows during a more steady production period before the expected activities to be carried out later in 2023 and 2024.



Production

FIELD		Total field this quarter [gross]	Our share previous quarter [net]	Our share this quarter [net]
Kupe Taranaki, New Zealand	Oil Barrels	99,525	4,513	3,981
	Gas Petajoules	4.22	0.19	0.17
	LPG Tonnes	18,436	818	737
	Production receipts NZ\$m		3.6	2.5
Maari* Taranaki, New Zealand	Oil Barrels	429,584	18,166	21,479
	Production receipts AU\$m		3.2	-
Sampang* Java, Indonesia	Oil Barrels		435	369
	Gas Petajoules		0.27	0.26
	Production receipts AU\$m		2.6	2.6
Mahato*/*** Sumatra, Indonesia	Oil Barrels		28,594	37,709
	Production receipts AU\$m		4.4	4.2
Mereenie** Amadeus, NT, Australia	Oil Barrels	29,786	7,948	7,447
	Gas Petajoules	2.53	0.59	0.63
Palm Valley** Amadeus, NT, Australia	Gas Petajoules	1.00	0.57	0.50
Dingo** Amadeus, NT, Australia	Gas Petajoules	0.26	0.14	0.13
Amadeus Basin	Production receipts AU\$m.		9.9	10.0
Total production receipts NZ\$m equivalent.			25.5	20.6

* Interest held by Cue. New Zealand Oil & Gas has a 50.04% interest in Cue. Cue's full interest is shown.

** The share indicated is for New Zealand Oil & Gas Group including Cue's full interest.

*** Mahato previous quarter production update due to recalculation of contractor share of production.

Australia

Amadeus Basin

Mereenie (OL4 & OL5)

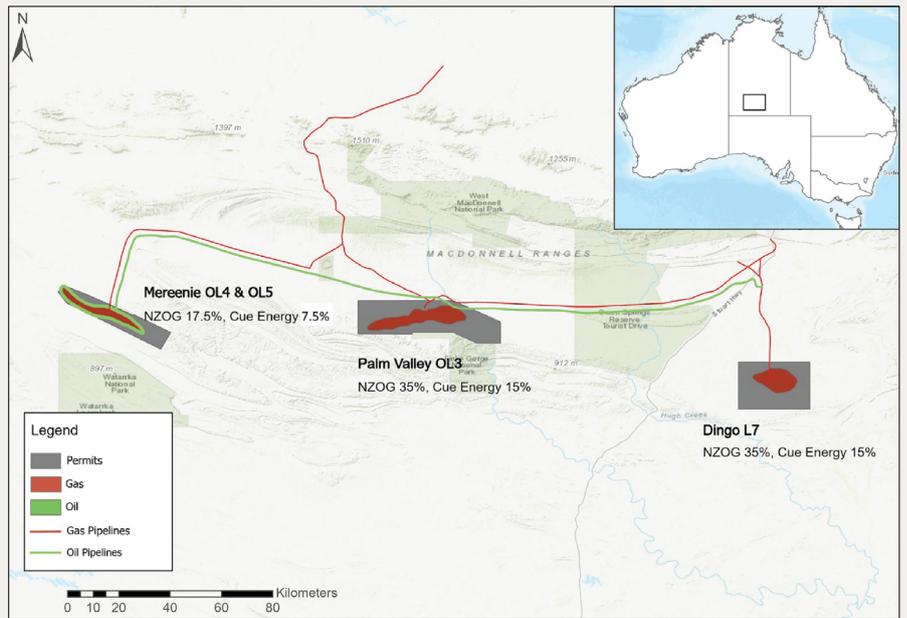
17.5% New Zealand Oil & Gas
 7.5% Cue Energy Resources*
 50% Macquarie Mereenie
 25% Central Petroleum (Operator)

Palm Valley (OL3)

35% New Zealand Oil & Gas
 15% Cue Energy Resources*
 50% Central Petroleum (Operator)

Dingo (L7)

35% New Zealand Oil & Gas
 15% Cue Energy Resources*
 50% Central Petroleum (Operator)



Gas production at Mereenie was slightly up on last quarter with full availability of the Northern Gas Pipeline and with the delivery of the planned re-completions campaign, resulting in initial rates of an additional 1.5TJ per day. At Dingo, gas sales were on par with the prior quarter, whilst at Palm Valley gas sales were down on expected field decline. The Dingo gas compressor is en route to Australia.

At Mereenie, planning continues as the JV considers future infill drilling at the field.

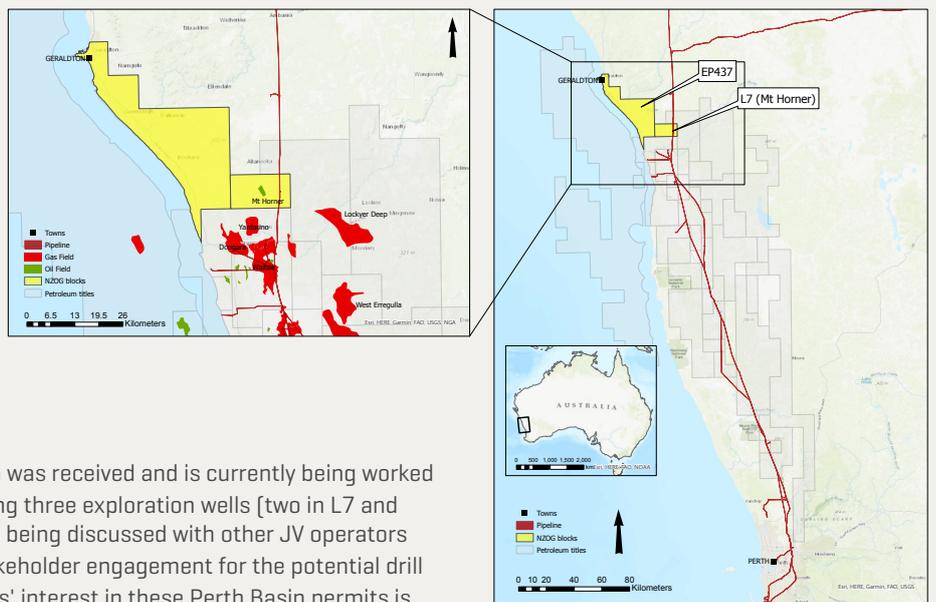
Perth Basin

L7

25% New Zealand Oil & Gas
 25% Talon Energy
 50% Triangle Energy Global (Operator)

EP437

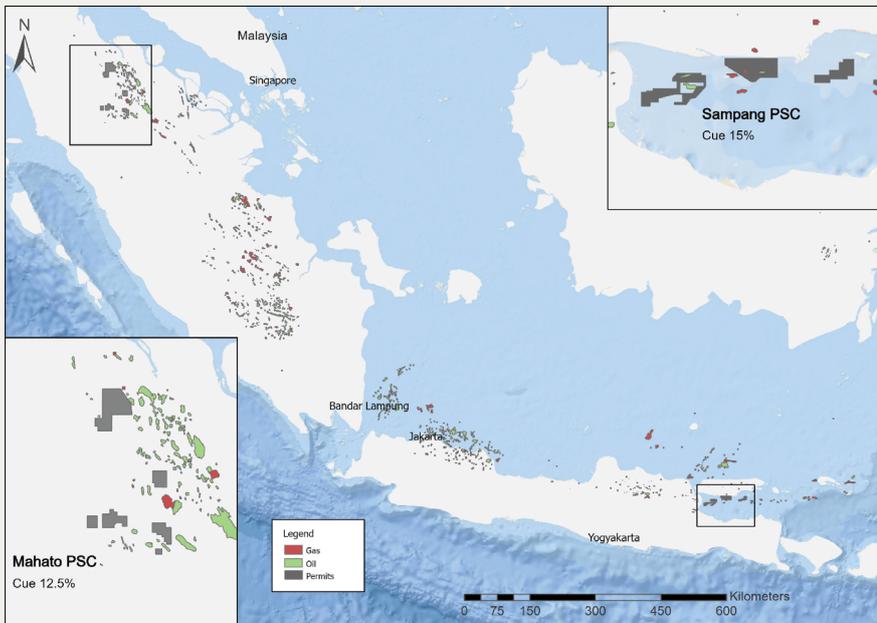
25% New Zealand Oil & Gas
 25% Talon Energy
 50% Triangle Energy Global (Operator)



In the Perth Basin permits new seismic data was received and is currently being worked to refine the key drill ready prospects. Drilling three exploration wells [two in L7 and one in EP437], rig availability and timing are being discussed with other JV operators requiring long lead items to be ordered. Stakeholder engagement for the potential drill locations is underway. New Zealand Oil & Gas' interest in these Perth Basin permits is subject to the completion of its Farmout Agreement which remains conditional on customary regulatory approvals.

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Indonesia



Sampang PSC

15% [Cue Sampang Pty Ltd]*

85% Medco Energi Sampang Pty Ltd [Operator]

Gas production from the Oyong and Wortel fields continued to perform to expectations during the quarter, with combined gross gas production consistent with last quarter.

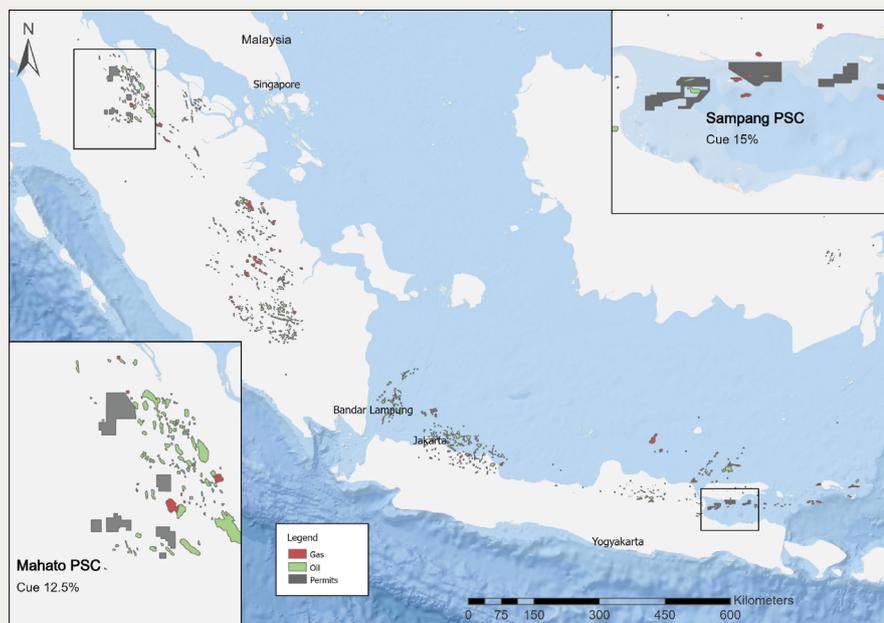
During the quarter, progress was made on the Paus Biru gas development, with the Indonesian Government approving various changes to the PSC terms, aimed to increase the economic benefit for the JV from Paus Biru. In addition, the government extended support for an extension application to the term of the Sampang PSC, which currently is set to expire in 2027. The Sampang JV expects to apply for a 20 year permit extension. The PSC amendments and extension are key steps required for the JV to proceed with considering a Final Investment Decision [FID] on the project.

The Paus Biru development is planned to consist of a single well and wellhead platform at the Paus Biru gas field, with a 27km subsea pipeline connecting the well to existing infrastructure at the Oyong field. Subject to final approvals, gas production from Paus Biru is expected to commence by 2025 at a rate of 20-25 million cubic feet per day [mmcf/d].

The Jeruk oil discovery continues to be assessed by the JV. A technical workshop was conducted to review the Operator's updated subsurface modelling and development concept plans during the quarter. Further work is being undertaken with the aim of defining an appraisal and development program within the next 6-12 months.

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Indonesia



Mahato PSC

12.5% [Cue Mahato Pty Ltd]*

87.5% Texcal Mahato EP Ltd [Operator]

Oil production net to Cue from the PB field increased by 32% during the quarter compared to the previous quarter due to continued successful development drilling.

Two new development wells, PB-20 and PB-14, were successfully completed during the quarter with initial production rates of 800 barrels of oil per day [bopd] and 500 bopd respectively.

A further development well, PB-13, was drilled and logged but encountered technical issues with casing installation. As a result, the well has been temporarily suspended until equipment can be sourced. Meanwhile, the rig is currently drilling the next development well, PB-23.

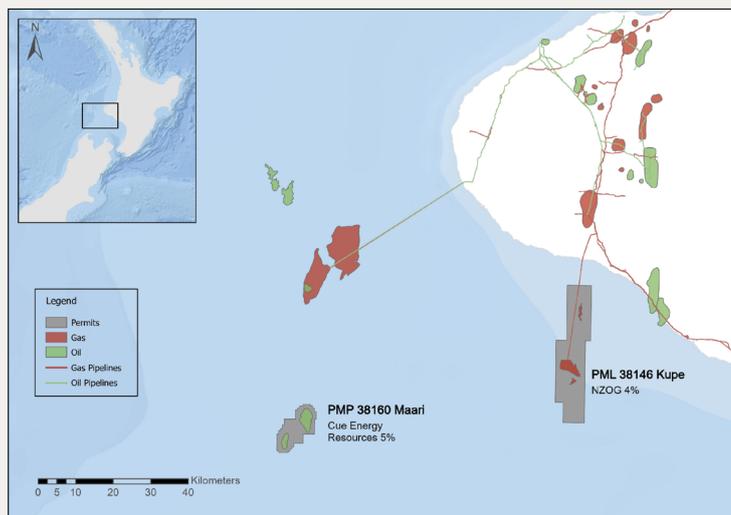
Under the current development plans, twenty production wells and three injection wells are approved for the PB field. Including the recently completed wells, there are currently sixteen oil production wells and one water injection well in the field. Due to increased understanding of the field from recent drilling, the operator is seeking approval to replace the planned water injection wells with two additional production wells.

Preparations are continuing for the drilling of exploration well BA-01. Rig mobilisation for the high impact exploration well is almost complete, with the well expected to spud in the fourth week of July.

BA-01 is located in the northern section of the PSC, independent of the producing PB field. The well aims to test the presence of hydrocarbons in the BA prospect, with a primary target of the Miocene-age Telisa Formation sandstone reservoir at a depth of 900ft and a secondary target of the Menggala Formation, expected at approximately 2500ft. Both targets are producing reservoirs in the Central Sumatra Basin.

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New Zealand



Kupe oil and gas field (PML 38146)

4% New Zealand Oil & Gas

50% Beach Energy [Operator]

46% Genesis Energy

Production and sales from the field were slightly down on the prior quarter, due to natural decline and minor outages.

The Kupe JV continues to look forward to the drilling of the planned KS-9 infill well. The expectation is that this will start later this year with the contracted Valaris-107 rig. The well aims to return the Kupe gas plant's capacity to around 77 TJ per day.

Maari and Manaia oil fields (PMP 38160)

5% [Cue Taranaki Pty Ltd]*

26% Horizon Oil International

69% OMV New Zealand Limited [Operator]

Gross oil production for the quarter was 18% higher than the previous quarter, averaging approximately 4,720 bopd, due to the re-start of production from the MN1 well. The current field production is approximately 5,300 bopd. One lifting of 25,777 barrels of oil net to Cue was conducted in June, with Maari oil continuing to achieve a price premium over the Brent benchmark.

During the quarter, the MN1 production underwent repairs and resumed production after being offline since May 2022. By the end of the quarter, MN1 was producing over 1,000 barrels of oil per day. MR6a remained offline, with further workover work being considered.

The Maari facilities completed regular inspections and aims to achieve certification until 2028.

The JV continues to assess and prioritise value adding projects, including potential production enhancement, cost reduction and CO2 reduction opportunities.

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Quarterly Activities Report, for quarter ended 30 June 2023.

Authorised for publication on behalf of the Board by Andrew Jefferies, Managing Director.

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