news release

NEW ZEALAND OIL & GAS

30 August 2023

NEW ZEALAND OIL & GAS YEAR END RESULT– REVENUE UP 18%

- Revenue of NZ$98.8 million up 18%, strong gas prices realised for contracted and uncontracted gas
- Production up 7% year-on-year
- Increase in Mahato oil production from development drilling
- Palm Valley gas production up 49% for the year after successful tie-in of PV-12 well
- Operating cashflows of NZ$32.5 million, up NZ$1.0 million year-on-year
- Continued growth expected from Mahato, Kupe and Amadeus developments

New Zealand Oil & Gas is delivering on its growth strategy, with revenue of NZ$98.8 million for the year ended 30 June 2023, up 18% compared to the year before of NZ$83.8 million.

The result is the second consecutive year of increasing revenue since the acquisition of Amadeus Basin assets in Australia's Northern Territory. Revenue from onshore Australian assets was up 47% compared to a year ago, which only included 9 months of Amadeus. Revenue from Indonesia is up 15%.

Operating cashflows were up by 3% on the prior year to NZ$32.5 million. Increased operating cashflows were driven by the Amadeus assets and development of the Cue portfolio in Indonesia.

Results summary	FY23	FY22*	Change
Revenue (NZ$ million)	98.8	83.8	18%
Net operating cashflows (NZ$ million)	32.5	31.5	3%
NPAT (NZ$ million)	19.1	25.7	(26%)
Production (mboe)	1,331.7	1,248.6	7%

*FY22 only includes 9 months of Amadeus assets.

Operating costs were up NZ$10.9 million to NZ$35.1 million from NZ$24.2 million a year ago. This year the Amadeus Basin includes 12 months of costs compared to 9 months in the prior year. In addition, increased activity included NZ$2.0 million of workovers at Mereenie and investment in new Perth Basin permits.

Exploration expense of NZ$9.1 million primarily relates to the previously announced drilling at Palm Valley.

Strong production with higher commodity prices, offset by higher costs contributed to the net profit after tax (NPAT) of NZ$19.1 million, down from the previous year of NZ$25.7 million; however net profit before income tax and royalties was up 2.4% to NZ$27.2 million.

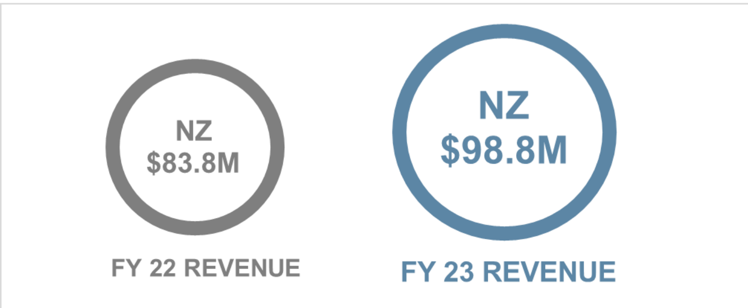
NPAT attributable to New Zealand Oil & Gas shareholders was NZ$10.8 million, or NZ$4.7 cents per share.

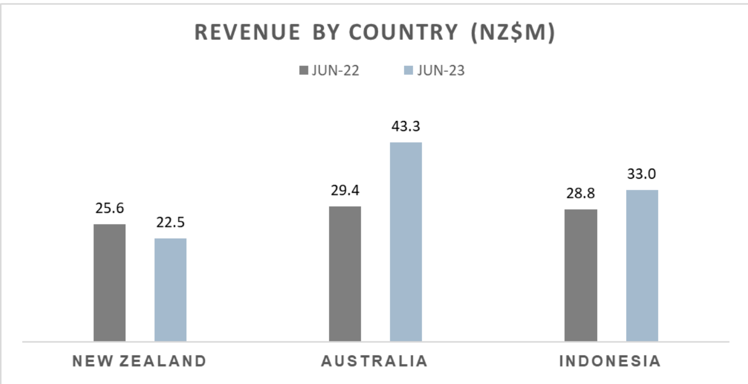
The Group had NZ$36.4 million of cash at 30 June 2023, down NZ$28.2 million from a year ago. During the year, NZ$22.2 million of deferred consideration was paid relating to the Amadeus acquisition, with only NZ$0.8 million remaining at 30 June 2023.

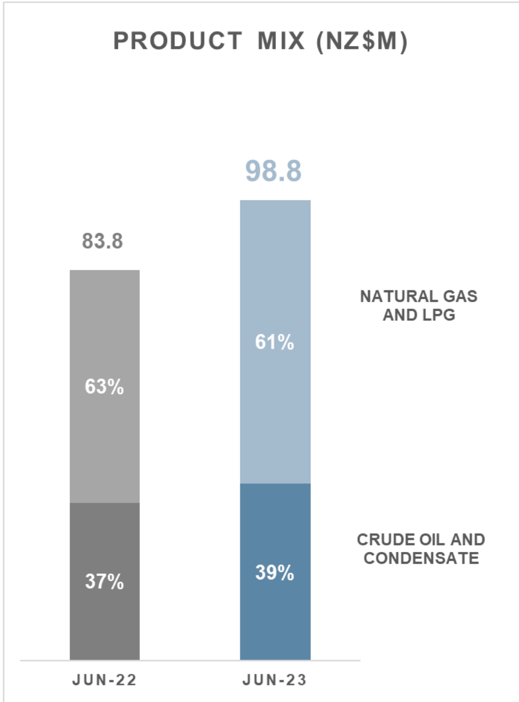
Chief executive Andrew Jefferies says the cash balance and ongoing operating cashflows will fund the Group through its busy program of development and exploration activity.

“Revenues are growing quickly due to acquisition and development successes. The performance of our production assets is especially pleasing. The cash generated from operations is being put to work, with the pace picking up further in the new financial year (see planned activities chart below).

“We are witnessing unprecedented opportunities in the east coast of Australia gas market, where increasing prices have improved the profitability of additional activity. New Zealand Oil & Gas is positioned to harness this momentum with great acreage that will drive growth, create value, and ensure we deliver: warm homes for families; reliable energy for industry; and eggs over easy for breakfast. Gas is a three-letter word for transition.”







SUCCESSFUL DRILLING

"Activity throughout the year paid off in announcements of reserves upgrades," Andrew Jefferies says.

"A reserves upgrade of 0.7 mmboe net to the Group was announced on 27 July 2023.

"The year has been exceptionally busy, featuring a new well at Palm Valley, workovers at Mereenie, and drilling success at Mahato.

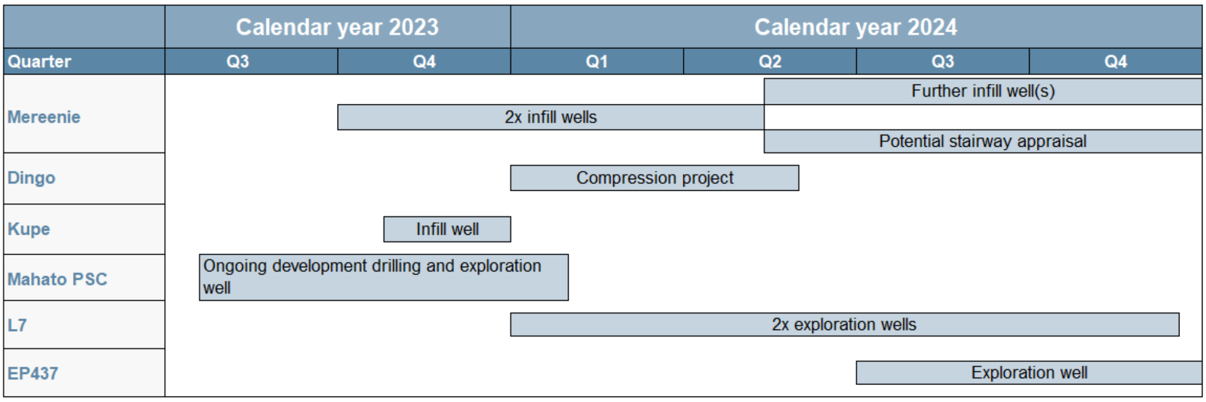
"The Palm Valley drilling program was completed in November 2022, providing success from a second sidetrack into the Pacoota (P1) sandstone, which is the current producing zone. The well has now been tied in and gas production is up 49% on the prior year.

"At Mahato PSC (Production Sharing Contract), development drilling continued with seven wells completed as part of the field development optimisation announced in June 2022. Sixteen wells were in production at year end. Additionally, there was one well drilled and suspended and one water injection well drilled.

"Oil production from the Maari field, offshore Taranaki, New Zealand, continued strongly. Gross production from the Maari fields was 4,700 barrels of oil per day (bopd) at the end of the year, a 16% increase from the start of the year."

PLANNED ACTIVITIES IN FY2024

- A new well to be drilled at Kupe
- Infill wells at Mereenie
- Exploration drilling in the Perth basin
- On-going development wells in the Mahato PSC



CUE ENERGY

Cue Energy Resources (ASX:CUE), contributed NZ$56.4 million to Group revenue[1]. In the Mahato PSC in Sumatra, Indonesia, increased production from ongoing drilling delivered the largest share of Group's revenue, NZ$20.4 million. Gross oil production from the field increased to 6,300 bopd at year end, up from 4,700 from last year. More development wells are planned for the PB field in this calendar year.

Also in Indonesia, the Oyong and Wortel gas fields in East Java contributed revenue of NZ$12.5 million.

Andrew Jefferies says Cue continues to contribute.

“Cue reported its highest annual revenue since 2010, demonstrating success from the company’s growth strategy boosted by our collaboration in the Amadeus Basin. The leveraging of New Zealand Oil & Gas's technical capability across the assets minimises costs and enhances profitability. It’s a win win.”

For further information please contact the Group on: enquiries@nzog.com or +64 4 495 2424

[1] New Zealand Oil & Gas has a 50.04% interest in Cue.