CEO's Presentation

David Salisbury

2011 Annual Meeting

26 October 2011

New Zealand Oil & Gas Ltd

Our Strategy

Two-pronged business strategy:

- Maximising value extraction from our existing asset portfolio
- Securing new value-adding business opportunities

Getting the most out of what we've got

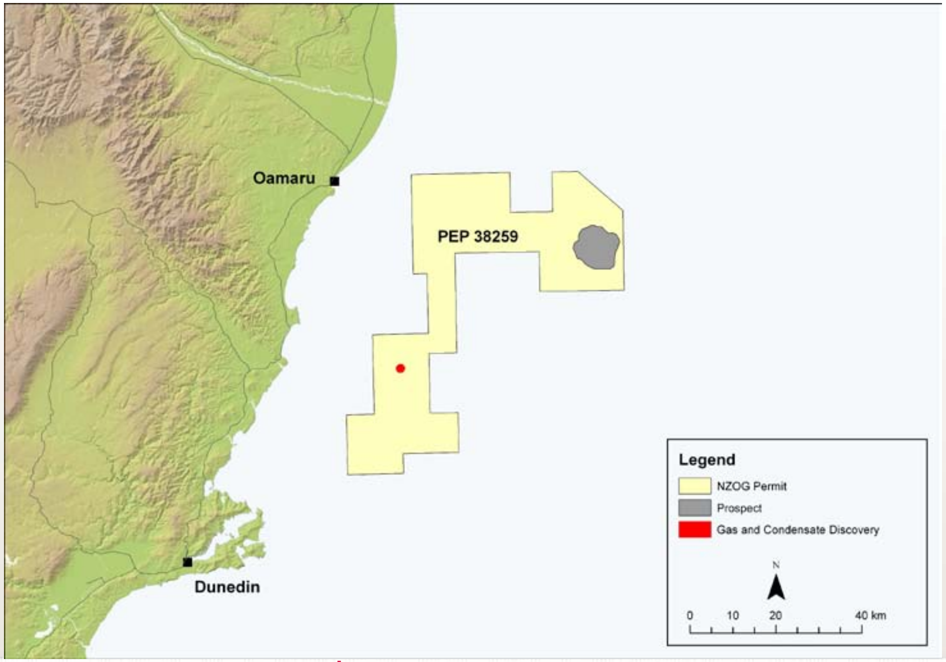
- Generating good cash flows from Kupe and Tui

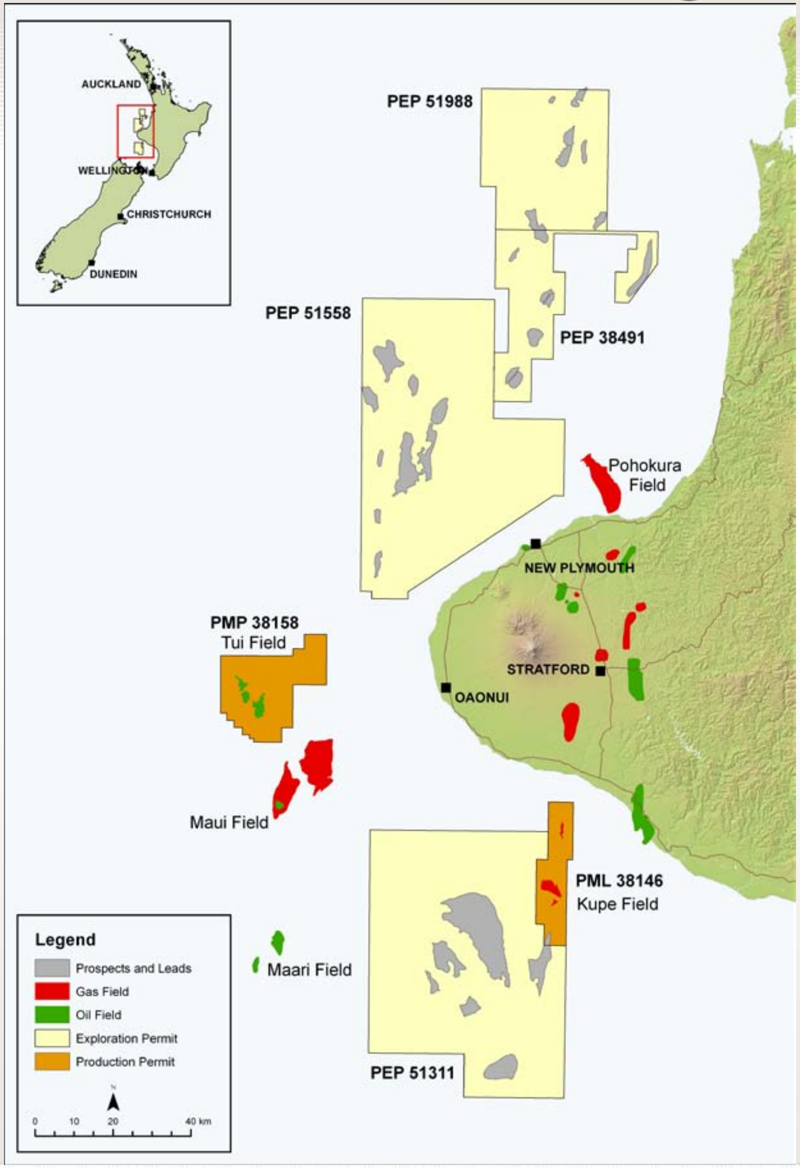
Looking for opportunities to grow

- NZ exploration, Tunisia and Indonesia

NZ Exploration

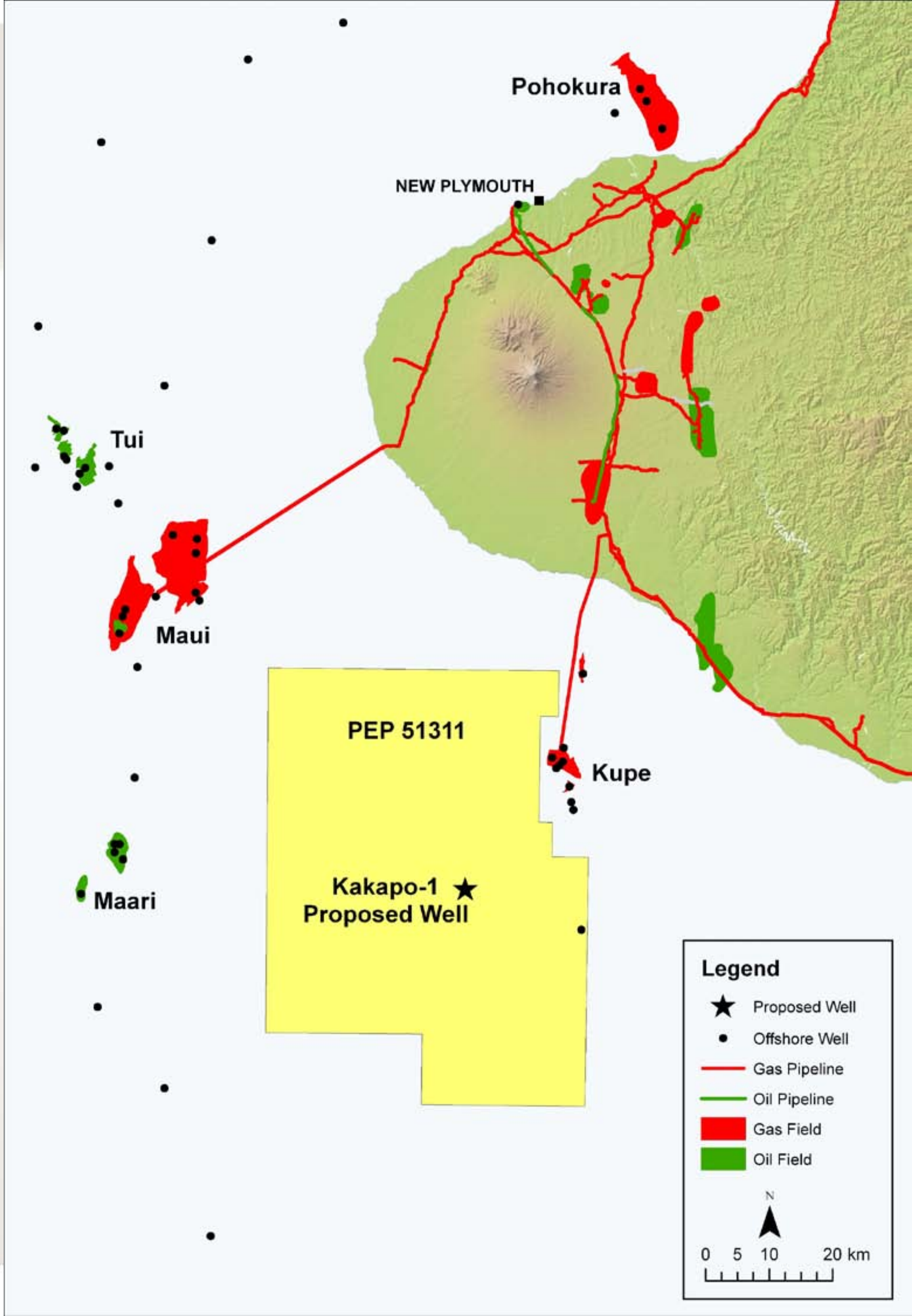
Permit	NZOG Stake
Taranaki Basin	
PMP 38158 Tui	12.5%
PML 38146 Kupe	15%
PEP 51311 Kakapo	90%
PEP 51988 Mangaa	100%
PEP 38491 Albacore	50%
PEP 51558 Kanuka	50%
Canterbury Basin	
PEP 38259 Barque	40%





Kakapo

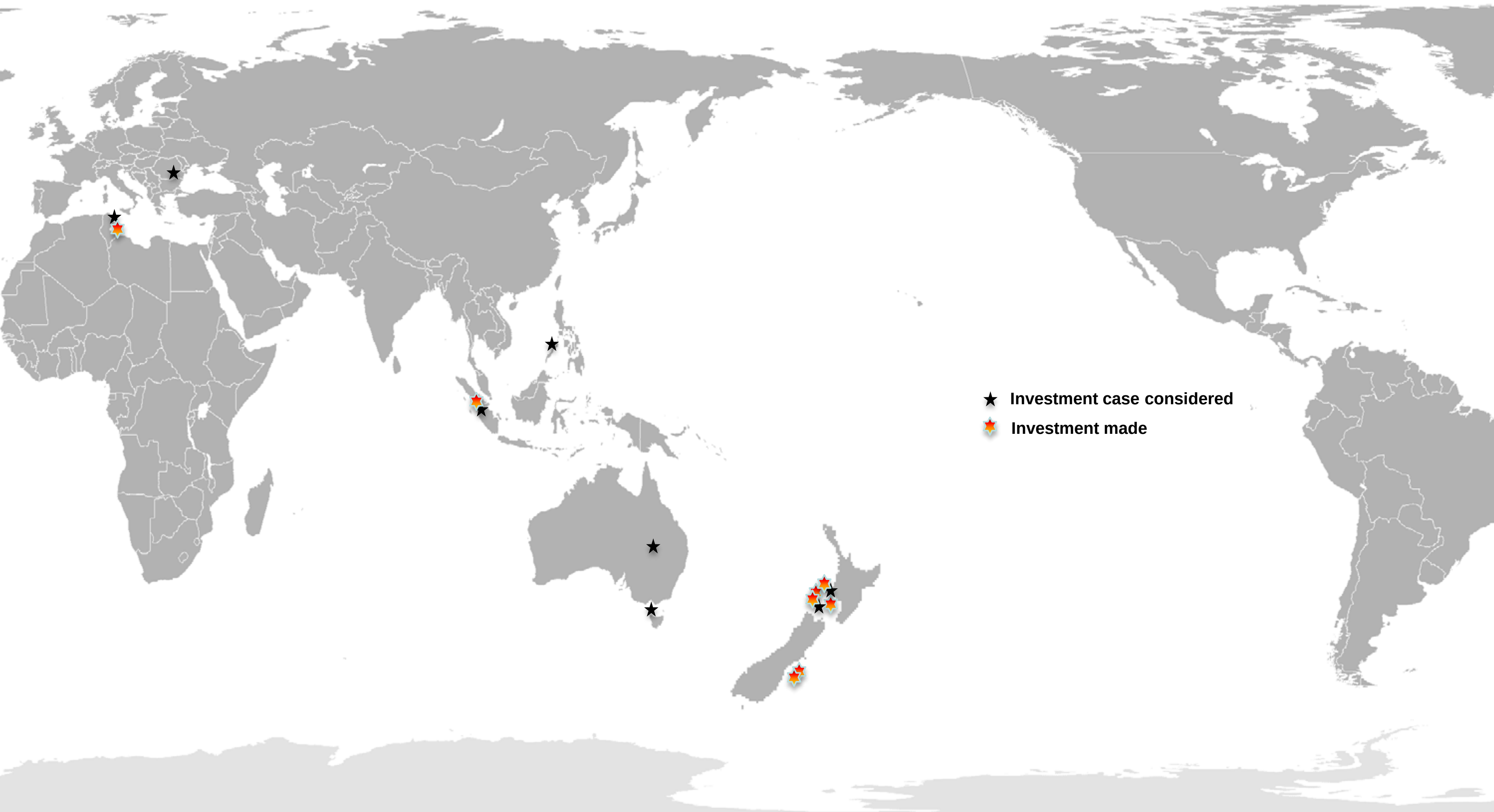
- Mean prospective resources over 200 mmbbls
- Raisama Ltd as partner, other companies reviewing data
- Actively seeking suitable rig – want to drill in 2012
- Straight-forward, relatively shallow, vertical well – a “business-as-usual” event for Taranaki



Expanded Horizons

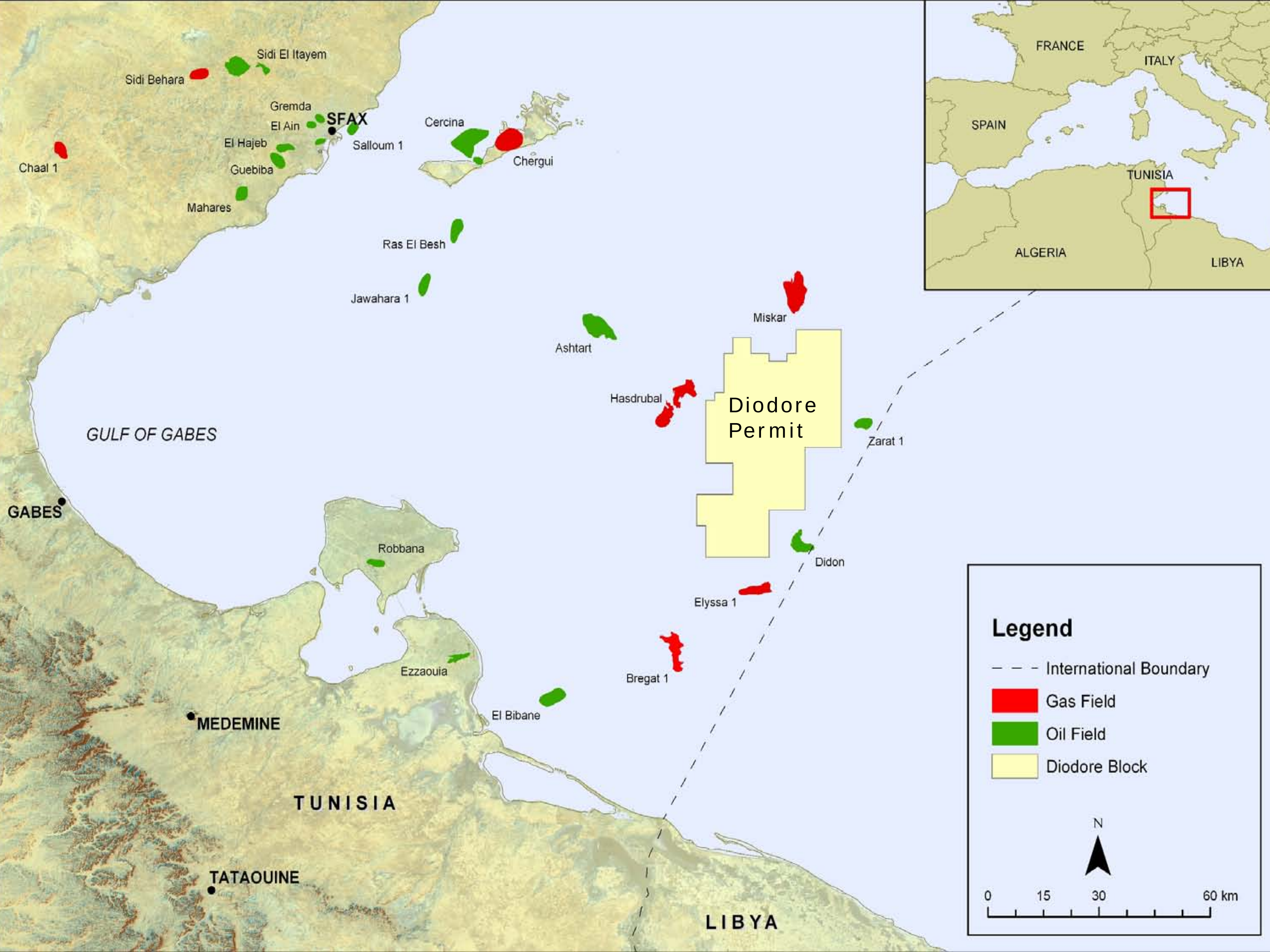
- New Zealand remains underexplored
  - NZOG committed to ongoing involvement in the identification, testing and development of New Zealand's petroleum resources
- Industry activity in New Zealand quite low
  - Available opportunities unlikely to be sufficient to meet our growth objectives from NZ alone

New Venture Activities 2008-2011



Tunisia

- Attracted to Tunisia due to its combination of:
  - good prospectivity
  - established exploration and production activity
  - reasonable fiscal terms
  - relative ease of doing business
- Move towards more open democracy enhances its attractiveness



Sidi El Itayem
Sidi Behara
Gremda
SFAX
El Ain
Cercina
El Hajeb
Salloum 1
Chaal 1
Guebiba
Chergui
Mahares
Ras El Besh
Jawahara 1
Miskar
Ashtart
Hasdrubal
Diodore Permit
Zarat 1
GULF OF GABES
GABES
Robbana
Didon
Elyssa 1
Bregat 1
Ezzaouia
El Bibane
MEDEMINE
TUNISIA
TATAOUINE
LIBYA
FRANCE
ITALY
SPAIN
TUNISIA
ALGERIA
LIBYA
Legend
International Boundary
Gas Field
Oil Field
Diodore Block
N
0
15
30
60 km

Seismic Survey

- Contracting a vessel to conduct a 460km seismic survey
- Intend to work the prospect up to drillable status and bring in partners ahead of committing to a drilling campaign
  - Could be drilling as soon as 2013
- Diodore just the first step in Tunisia
  - Senior explorationist relocated to Tunis and NZOG actively pursuing further opportunities

Indonesia

- Indonesia has a long oil and gas history but remains underexplored by western standards
- Contract terms and business climate have improved considerably
- NZOG has strategic relationship with Indonesian-focused Bukit Energy
- A large portfolio of opportunities identified and reviewed, most of them in onshore Sumatra

Sumatra

- Highly productive region offering a variety of entry points, including open acreage, regular bid rounds and farm-ins
- Joint Study Agreement (JSA) awarded
- Second JSA applied for
- Farm-in discussions
- Other opportunities under assessment

Pike River Coal Ltd

- NZOG provided $12m loan to PRCL following tragic explosions in November 2010
- At PRCL's request appointed Receivers December 2010
- NZOG has worked hard to manage the interests of its shareholders

Insurance Settlement

- $80m insurance settlement
- NZOG agreed to a part-payment plan for unsecured creditors
  - Complex situation well beyond a normal receivership
  - Decision supports sales process and prospect of mine re-opening
  - Unanimously supported by unsecured creditors
- NZOG has received $38.3m as part payment of secured debt
- Next week NZOG will receive $3.0m as part payment of unsecured debt

Mine sale

- Short-term loan provided to Receivers
  - $4.3m drawn from $5m facility
- Progress being made with gaining safe access to tunnel
- Sales process well advanced
  - Final bids received
- Outlook: Sale concluded, debts paid off, mine handed over to new owners, receivership over
- NZOG's involvement will come to an end

Production

- Operationally 2011/12 was a strong year
- NZOG's two producing assets – Kupe and Tui – provided more than NZ$100m in revenue for the financial year

Tui

- Production for FY2011 2.81 mmbbls
  - NZOG share 350,000 barrels
- Over NZ$40m in revenue
  - Average price per barrel US$96 or NZ$125
- Reduction in estimate of gross initial developed 2P reserves to 41 mmbbls
  - 10% reduction in NZOG's oil and gas reserves
  - 2% reduction in NZOG's expected production in the 2012 financial year
- NZOG estimates its share of Tui production in the current financial year will be 270,000 barrels

Kupe

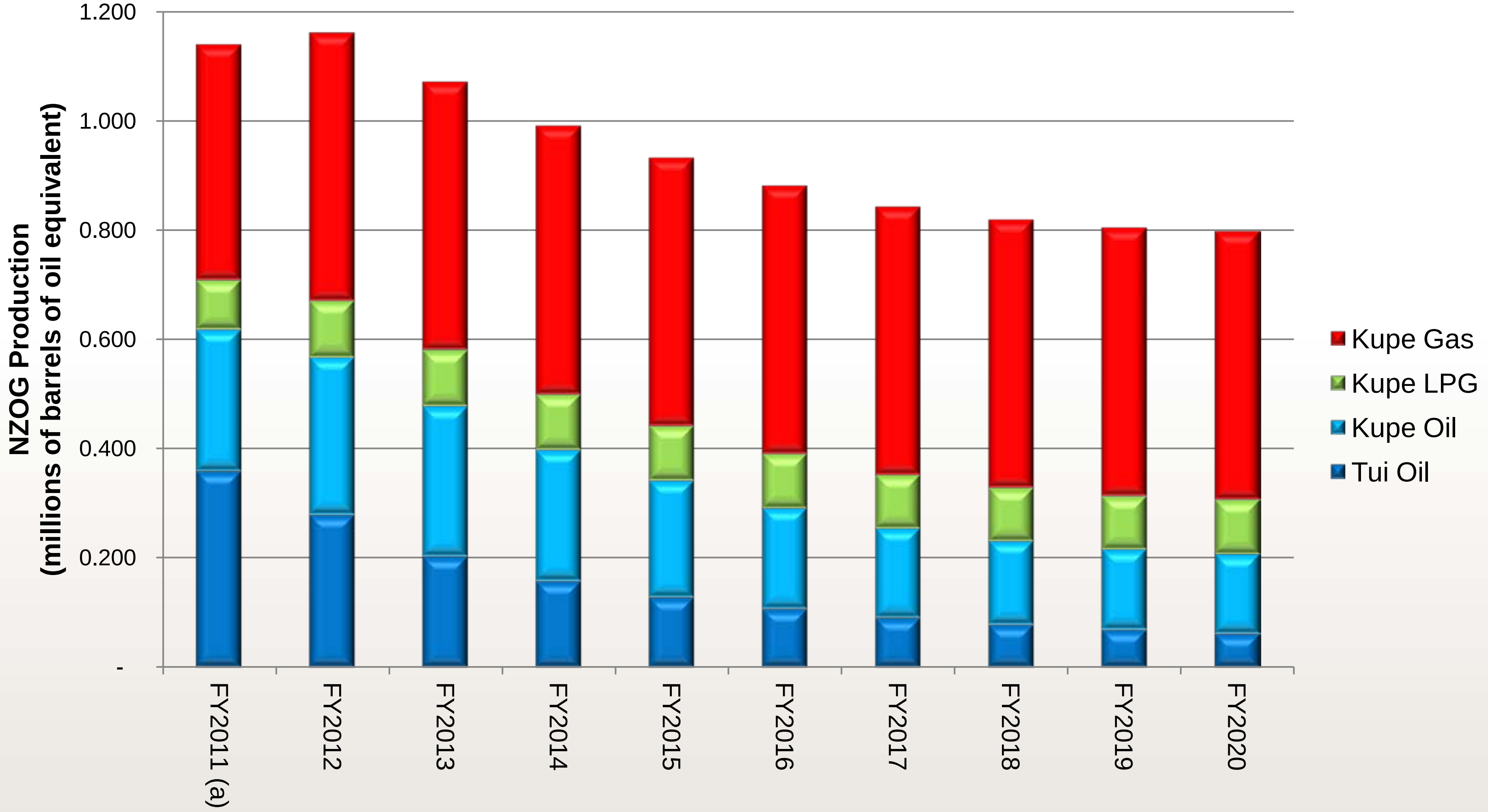
- NZOG’s main revenue source
  - FY11 Revenue: NZ$66.33m
- FY11 Production *(NZOG’s 15% share)*
  - 2.63 PJ sales gas
  - 11,200 tonnes of LPG
  - 276,000 barrels of oil
- Kupe Reserves upgraded July 2010 and confirmed June 2011
- FY12 Production Forecast *(NZOG’s 15% share)*
  - 3 PJ sales gas
  - 12,800 tonnes of LPG
  - 320,000 barrels of oil

Investing in Growth

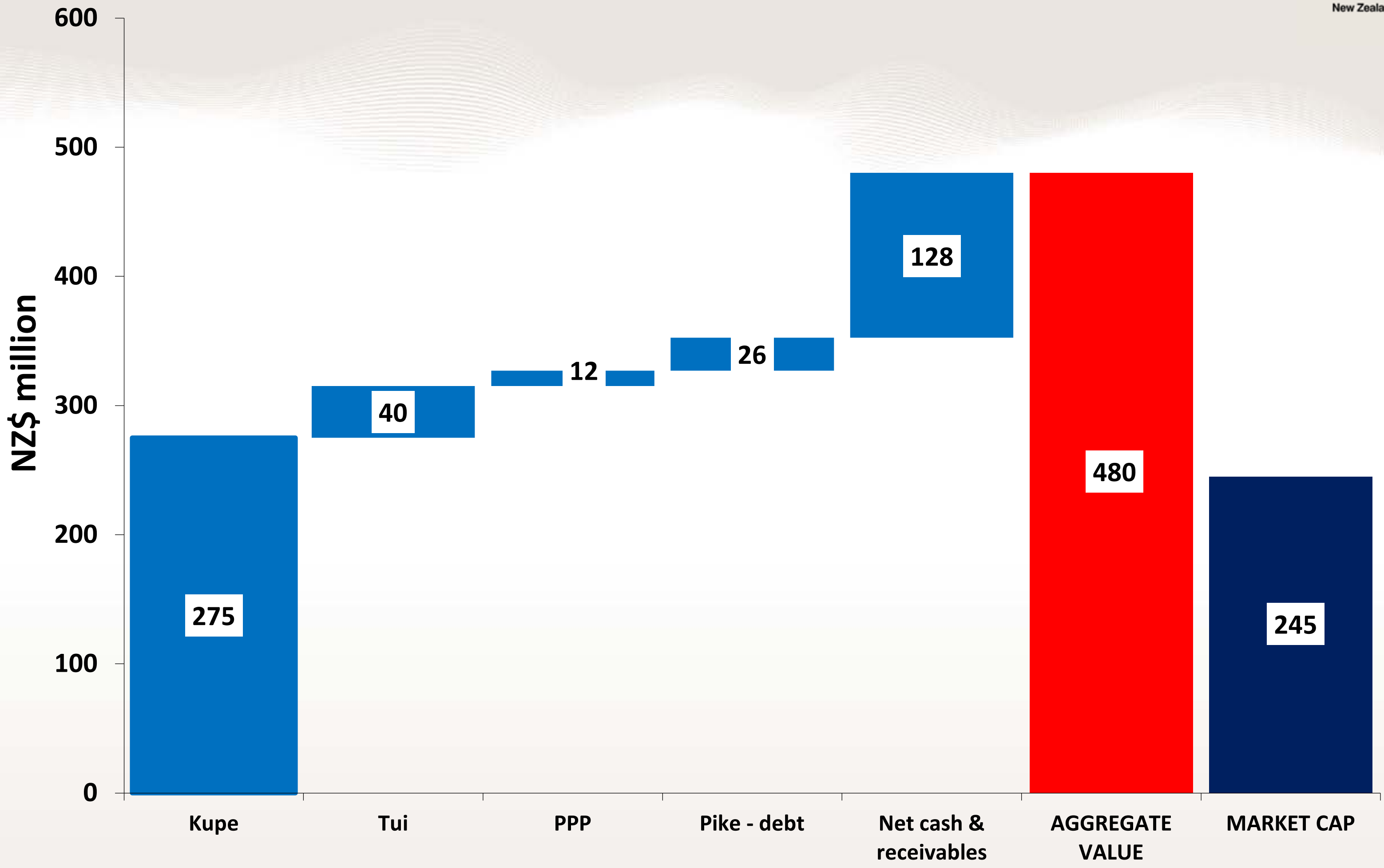
- Investing in Growth has a cost
- $11.1m in G&A costs in FY11
  - $500,000 donation to the Pike River Trust
  - $300,000 in Pike River related expenditure
  - $1m in regulatory and communication costs
  - Significant proportion of remaining expenditure was spent on identifying and evaluating new investment opportunities
  - Cost of managing our existing oil and gas assets around $5m - less than 5% of revenue

Production Base

Two existing fields providing long term cash flows



NZOG Core Asset Value

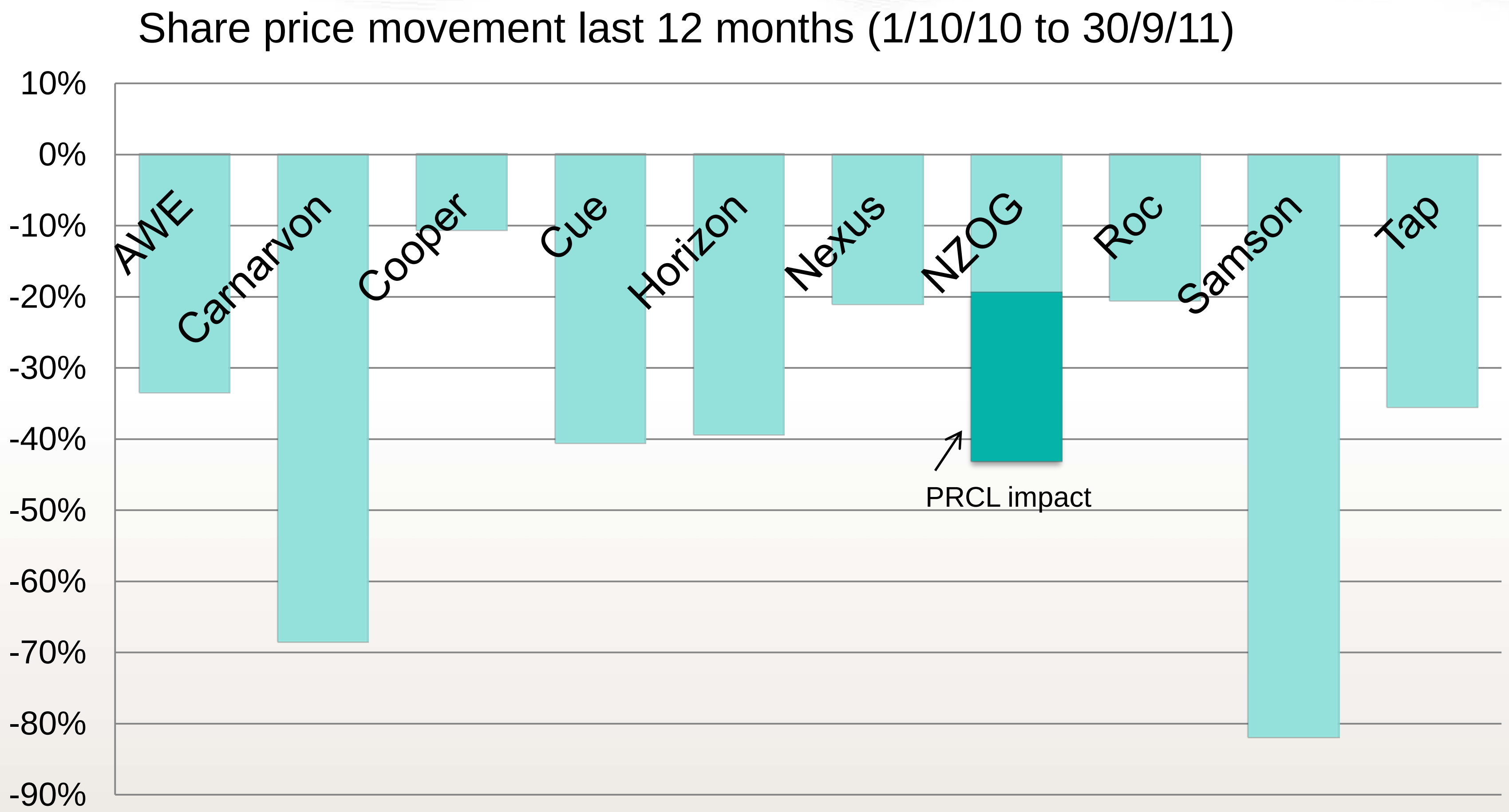


Assumptions:

Broker average discount rate, forward curve for oil and exchange rates, broker average gas and LPG prices, PPP valued at market, net cash and receivables all as at 20 October 2011; 2.5% pa inflation, 2P Reserves at Kupe and Tui; NZ$22.6 million remaining PRCL secured debt and interest and advance to Receivers recovered, NZ$3.0m out of NZ$15.3m PRCL unsecured debt and interest recovered.

Upside potential from exploration and Pike unsecured debt/equity recovery not included. Capitalised corporate costs not deducted.

Share Price Performance



Summary

- Strong balance sheet
- Good operating cashflows
- Continuing to pursue sensible growth opportunities in the oil and gas sector - home and abroad
- Broadening our portfolio to lessen the impact of one-off events
- Board and management committed to carrying the current strategy forward

Discovering Our Energy Future

New Zealand Oil & Gas Ltd