



NEW ZEALAND
OIL & GAS



Quarter ended 31 December 2023

New Zealand Oil & Gas Quarterly Report

ASX:NZO | NZX:NZO

Quarter Highlights

- Drilled the KS-9 well to total depth of 3,630m at Kupe
- Kupe planned statutory shut-down completed
- Three new oil production wells at Mahato completed
- Cash receipts of NZ\$24.7 million up 20% on same quarter last year
- Cash balance up 68% year on year to NZ\$46.4m
- Execution of the Incitec Pivot Limited (IPL), and Shell (extension to) Gas Sale Agreements (GSAs) in Amadeus

Introduction



Valaris 107 jack-up rig on heavy lift vessel on route to Kupe Well Head, Taranaki.

In the current quarter, New Zealand Oil & Gas [NZO] has completed a busy period in our Joint Ventures (JVs).

At Kupe in October, we executed a planned 4 yearly statutory shutdown and maintenance programme, subsequently spudding the KS-9 development well. This underscores our commitment to the continuing development and optimisation of this key asset. An asset of importance to NZO but more so to New Zealand, displacing coal for reliable power generation at a time of uncertainty, due to burgeoning adoption of variable renewables wind and solar.

Our operations in the Amadeus Basin successfully navigated the shut down and subsequent reinstatement of the Northern Gas Pipeline [NGP] demonstrating our JV's ability to respond positively to operational exigencies.

The successful execution of the IPL and Shell GSAs at Mereenie help ensure future sales arrangements which reduces the risk of further NGP shutdowns.

Production volumes for the quarter remained robust at 322,037 barrels of oil equivalent [boe], with an average daily output of 3,500 boe.

Future Activities Timeline – NZO & Cue

This table summarises timeline of expected activities.

Quarter	Calendar year 2024				Calendar year 2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mereenie		2x infill wells	Potential stairway appraisal		Further infill well(s)			
Palm Valley	Flare Gas Recovery Compressor [FGRC]					Potential infill well(s)		
Dingo			Potential Compression Project					
Kupe	KS-9 Online	Ongoing wind appraisal						
Mahato PSC	Ongoing development drilling							
WA L7		2x exploration wells, timing TBC						
WA EP43			Exploration well, timing TBC					

Approved activities: Kupe well and wind appraisal study; Mereenie FGRC

● Development ● Exploration & Appraisal

Financial Performance

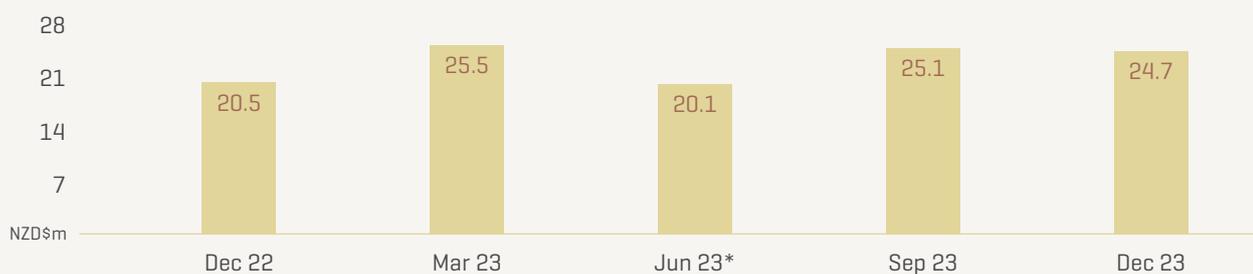
Production from oil and gas assets is down in the quarter, resulting from the forecasted statutory shut-down at Kupe for 30 days and temporary closure of the NGP for 55 days whilst the IPL phosphate plant was shut in.

The cash balance of NZ \$46.4million at 31 December 2023 is up NZ\$4.0 million on the previous quarter and NZ\$18.7million compared to a year ago. Cue Energy Resources [Cue] contributes NZ\$25.0 million to the cash balance with a 34% increase on the previous quarter.

Production receipts for the quarter are \$24.7 million, up 20% on the previous year. This is due to increased production at Mahato, post-development, and timing of Cue oil lifting receipts from Maari. A one-off NZ\$2.0 million receipt from the Indonesian Government for the finalisation of outstanding payments was received in the quarter.

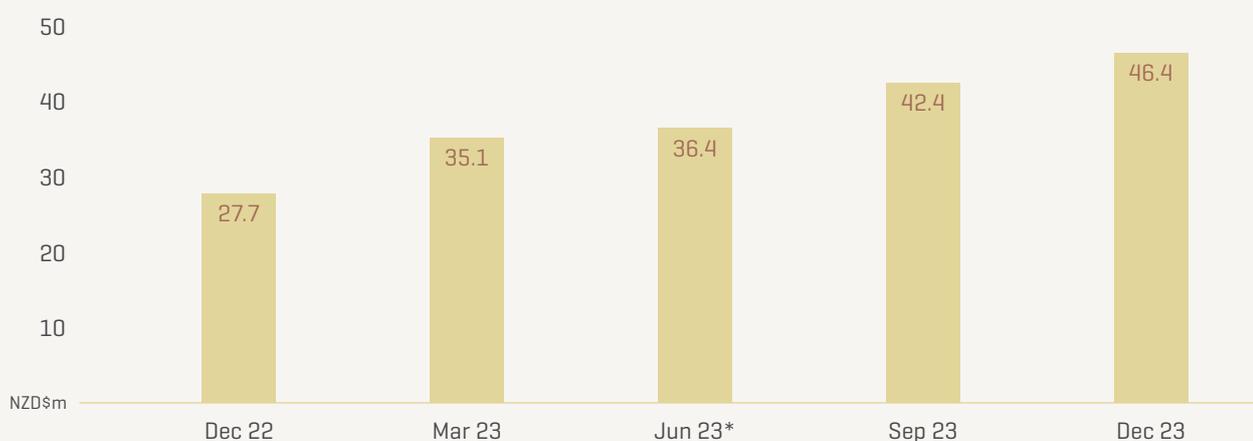
Development costs of NZ\$6.4 million for the quarter, previous quarter NZ\$2.6 million, were spent on the drilling of the Kupe KS-9 well and a further three development wells at Mahato oil field.

Production receipts by quarter



*Jun 23 quarter includes audit adjustment

Cash balance by quarter



*Jun 23 quarter includes audit adjustment

Production

FIELD		Total field this quarter [gross]	Our share previous quarter [net]	Our share current quarter [net]
Kupe Taranaki, New Zealand	Oil Barrels	40,651	4,328	1,626
	Gas Petajoules	1.78	0.19	0.07
	LPG Tonnes	7,356	805	294
	Production receipts NZ\$m		2.9	1.1
Maari* Taranaki, New Zealand	Oil Barrels	470,997	24,087	23,550
	Production receipts AU\$m		3.1	3.5
Sampang* Java, Indonesia	Oil Barrels		368	301
	Gas Petajoules		0.24	0.23
	Production receipts AU\$m		2.5	2.4
Mahato* Sumatra, Indonesia	Oil Barrels		49,207	48,205
	Production receipts AU\$m		6.2	8.5
Mereenie** Amadeus, NT, Australia	Oil Barrels	25,547	7,018	6,387
	Gas Petajoules	2.20	0.60	0.55
Palm Valley** Amadeus, NT, Australia	Gas Petajoules	0.88	0.47	0.44
Dingo** Amadeus, NT, Australia	Gas Petajoules	0.34	0.15	0.17
Amadeus Basin**	Production receipts AU\$m.		8.8	7.3
Total production receipts NZ\$m equivalent.			25.1	24.7
Total production equivalent	Volume in boe		360,754	322,037
	Daily equivalent in boe per day		3,921	3,500

* 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.

Australia

Amadeus Basin

Mereenie (OL4 & OL5)

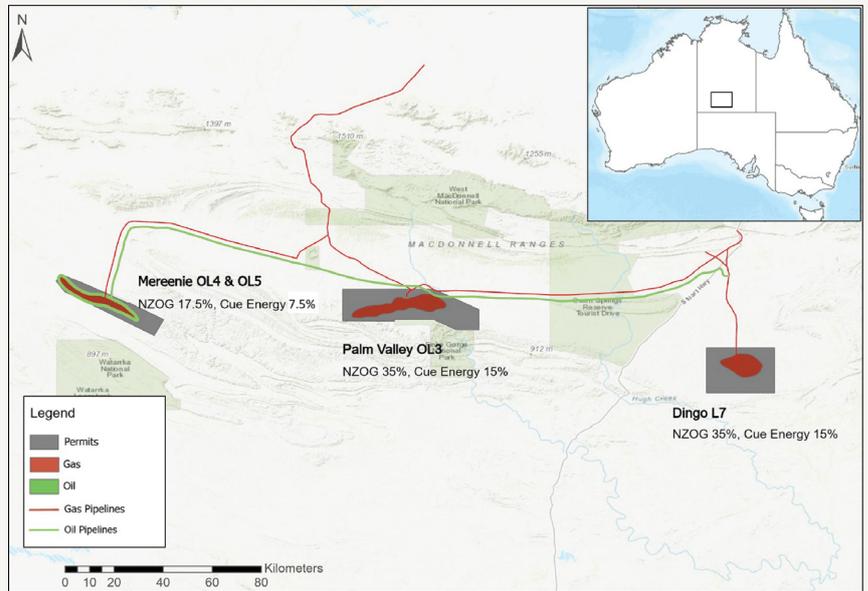
- 17.5% New Zealand Oil & Gas
- 7.5% Cue Energy Resources*
- 50% Macquarie Mereenie
- 25% Central Petroleum (Operator)

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)



Production was down on the prior quarter, attributable to a combination of natural field decline and ongoing intermittent constraints on the NGP. The NGP was re-opened late in the quarter when the IPL phosphate plant re-opened. A new GSA was executed with IPL and an extension of the Shell GSA was also announced.

Incorporation of the results of the in-field data acquisition campaign is ongoing as the JV looks to identify potential drilling opportunities. The FGRC was installed with tie-ins ongoing and the machine expected online early in the new year.

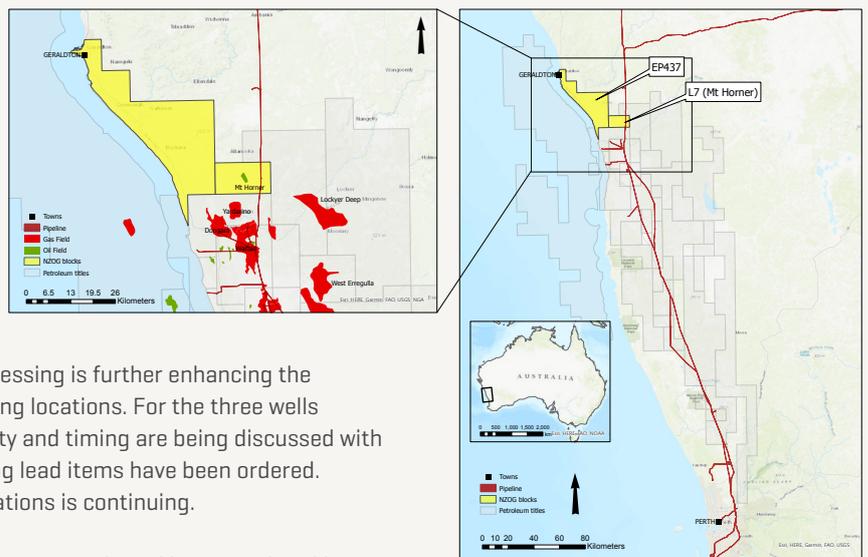
Perth Basin

L7

- 25% New Zealand Oil & Gas
- 25% Strike 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, additional seismic processing is further enhancing the subsurface imaging to delineate the potential drilling locations. For the three wells planned (two in L7 and one in EP437), rig availability and timing are being discussed with other JV operators. In preparation for a rig slot, long lead items have been ordered. Stakeholder engagement for the potential drill locations is continuing.

During the quarter, NZO received required regulatory approvals and has completed its farm-in into to both permits.

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Indonesia

Sampang PSC

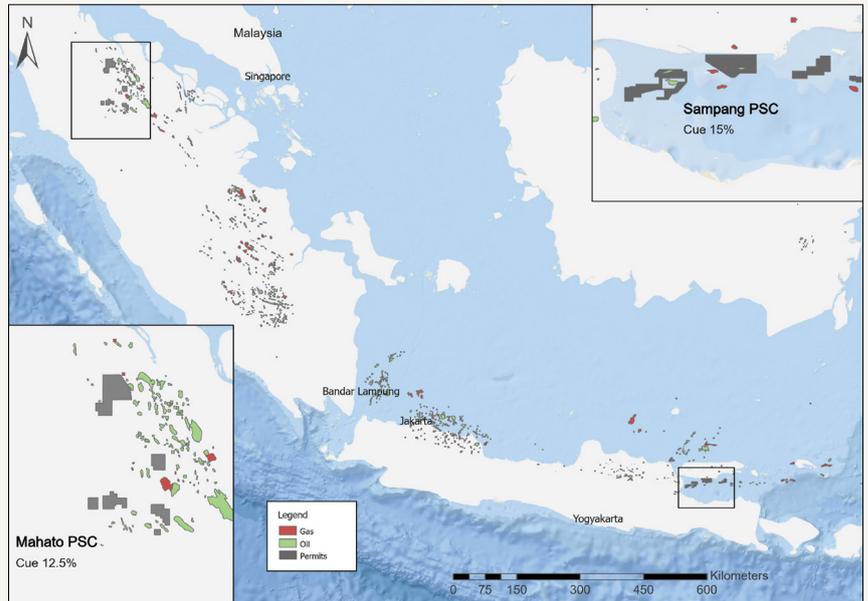
15%	Cue Sampang Pty Ltd*
85%	Medco Energi Sampang Pty Ltd [Operator]

Permit extension discussions between the production sharing contract [PSC] Operator, Medco Energi, and the Indonesian Government continued. The JV is now expected to apply for a production permit extension for the existing Oyong and Wortel fields, as well as Paus Biru, when developed. This proposal has Government support, though the regulations required to implement it are still being finalised. The timing for any extension approval is likely to be in the second half of calendar year 2024.

Subject to approval of a permit extension for the producing fields, the JV will also seek changes to the terms of the PSC for the Paus Biru development.

The PSC amendments and extension are key steps required for the JV to proceed with a final investment decision on the project.

The Paus Biru development will include a single well and wellhead platform at the Paus Biru gas field, as well as a 27-kilometre subsea pipeline to connect the well to existing Oyong field infrastructure. Subject to final approvals, gas production from Paus Biru is expected to commence in 2027 at a rate of 20-25 million cubic feet per day.



Mahato PSC

12.5%	Cue Mahato Pty Ltd*
87.5%	Texcal Mahato EP Ltd [Operator]

Oil production net to Cue from the PB field was consistent with the previous quarter.

Three production wells were completed during the quarter. During November, the PB-12 production well was drilled and began producing at a rate of approximately 930 barrels of oil per day [bopd]. The PB-22 production well was also drilled during November and produced at an average rate of approximately 500 bopd during December. Both these wells were drilled from a new well pad, located to the north of the previous well locations. A third well, PB-15, was drilled as a water injection well but encountered oil zones and was completed as a production well.

The final well under the current development plan, the PB-16 water injection well, is expected to commence in February 2024. After PB-16, the PB field will have completed all of the drilling approved under the current development plan, with 21 production wells and two water injectors in the field.

A review of the current field performance and calibration of subsurface models is being undertaken by the operator with the potential for more development wells to be proposed.

In October 2023, Texcal, the Mahato PSC operator, and Riau Petroleum, an Indonesian local government-owned entity, signed an agreement to transfer 5% of the Mahato PSC's Participating Interest to Riau Petroleum, as required by the PSC and Government regulations. Cue is currently reviewing transfer documentation regarding its share of that transfer.

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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 from the field was lower in the last quarter due to the statutory 4 yearly planned shutdown of the field and the ongoing rig works & movements with the Valaris 107 jack-up rig drilling the KS-9 well.

During the shutdown the JV completed enhancements to the flare pilot at the plant, expected to reduce emissions by 2,400tCO₂e-/yr (gross to JV).

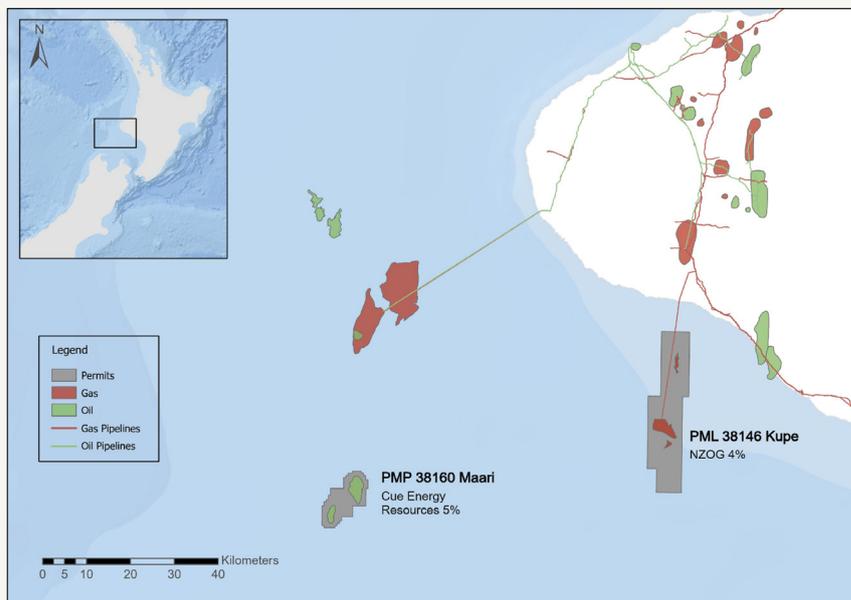
KS-9 was spudded on 25 October 2023 and successfully drilled and logged to a depth of 3,630m.

Operator, Beach Energy, reported in their Quarterly Activities Report a net gas pay of 26m, and has stated that this was marginally below their pre-drill expectations.

Production performance will determine if this impacts reserves or indicates further development opportunities.

Prior to this release, the well is online and currently cleaning up.

The JV continues reviewing the potential for onshore wind development in and around the plant.



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 averaged approximately 5,100 bopd this quarter.

During the quarter, a workover on the MR6a well commenced with the aim of suspending the existing production zones and reperfoming the Matapo and Kap100 reservoirs in order to produce oil from these zones. Due to minor workover equipment repairs, work was suspended in December and is now expected to be complete this quarter.

Work to extend field life beyond the current December 2027 permit expiry continued during the quarter, including the preparation of license extension documentation.

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 31 December 2023.

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

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