



NEW ZEALAND
OIL & GAS



Annual Report 2023

New Zealand Oil & Gas Limited Annual Report

ASX: NZO NZX: NZO

Management commentary
(no financial statements)

Contents

OUR COMPASS	4
HIGHLIGHTS	7
REPORT FROM THE CHAIR AND CEO	8
PRODUCTION AND RESERVES	10
RESERVES COMPLIANCE STATEMENTS	14
OUR ACTIVITIES	16
SUSTAINABILITY AND COMMUNITY	20
Supporting Tree Planting	22
Supporting Diversity In The Community	23
Supporting World Class Life Science	24
Supporting Vulnerable Families With Their Energy Needs	24
Supporting Science Education	25
Supporting Communities Where We Work	25
CORPORATE GOVERNANCE	26
CONSOLIDATED FINANCIAL STATEMENTS	60
Consolidated Statement of Cash Flows	61
Consolidated Statement of Comprehensive Income	63
Consolidated Statement of Financial Position	64
Consolidated Statement of Changes in Equity	65
Notes to the Financial Statements	66
INDEPENDENT AUDITOR'S REPORT	86
SHAREHOLDER INFORMATION	91
CORPORATE DIRECTORY	95

**Signed on behalf of the board of New Zealand Oil & Gas Limited
on 27 September 2023.**



Samuel Kellner
Chairman



Alastair McGregor
Director

Our Values



TIKANGA: THE RIGHT THINGS THE RIGHT WAY

We operate safely, and do what we say we will do.

We display respect and understanding for other people, opinions and cultures.

We respect values, rules and laws.



MAHI TAHI: WORK TOGETHER, COLLABORATE, COOPERATE, WITH TEAMWORK

We are open, honest and transparent.

We actively pitch in and help.

We have fun and work with passion.

We put big issues on the table so they can be resolved.



PĀIKI: CONSUMED WITH CURIOSITY

We seek to better understand ourselves, and the world, with the goal of constantly improving.

We explore new areas to add value to our work.

We work with initiative and imagination.



TAUHOKOHOKO: BARTER, BARGAIN, TRADE

We continually seek to add value through the application of skills, brains and hard work.

We develop mutually beneficial relationships with key stakeholders and partners.

We deliver excellent commercial outcomes.

Our Compass

We see natural gas assets providing security of supply to an energy-constrained world as it undergoes a decades-long energy transformation. We will pursue quality investment opportunities.

WHO WE ARE

We are an oil and gas company with an Australasian focus. We are ethical, values based, and nimble.

We are an experienced, Wellington based exploration and production company, and we are growth ready.

Industry experts trusted by our stakeholders, providing support and advice.

WHERE WE ARE GOING

Growing: Efficiently deploy our resources purchasing additional production that has development upside and exploration that fits our asset base.

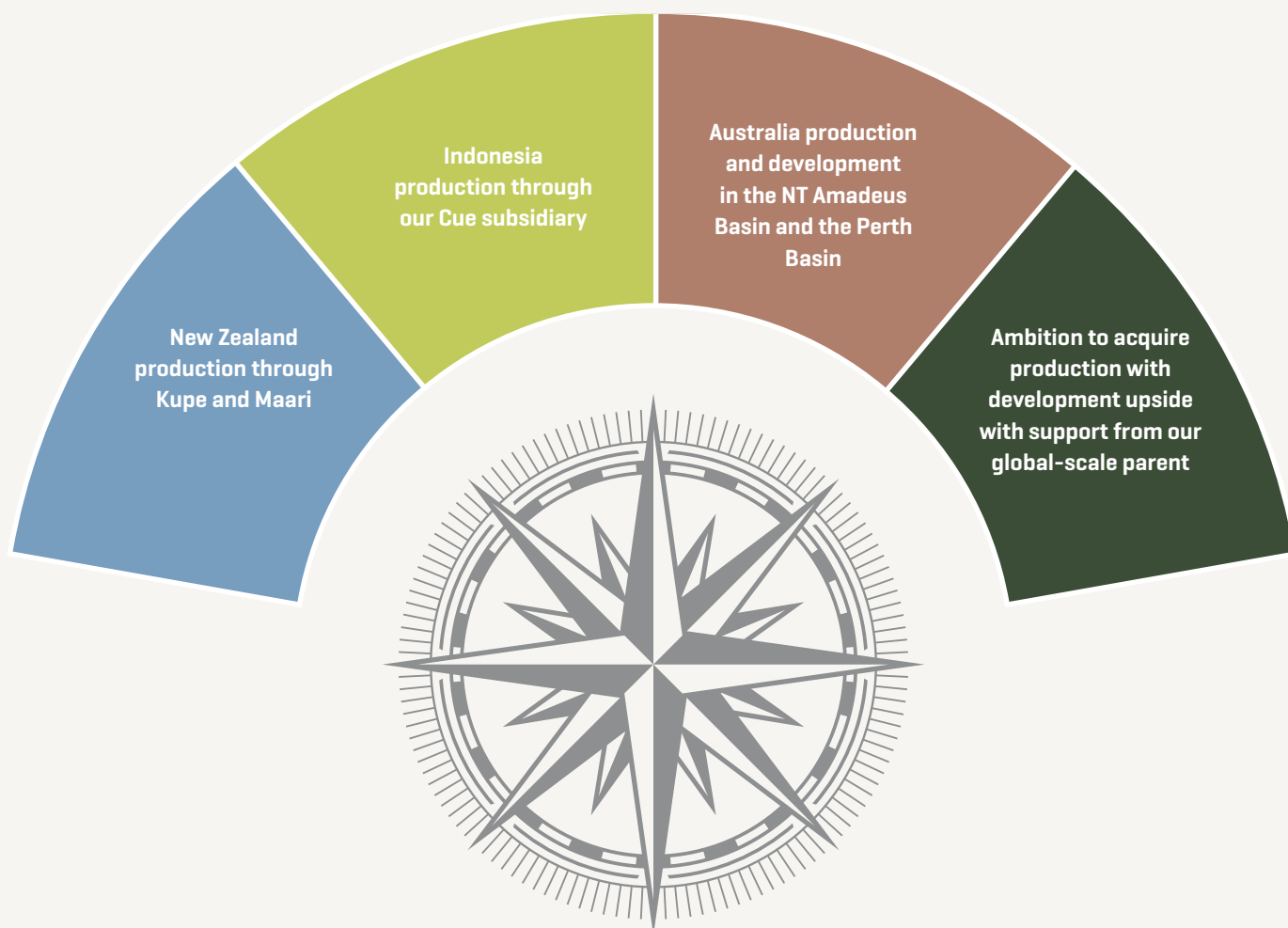
Improving: Use our skillsets, optimising our processes, and extracting additional value from our physical assets and the wider group.

Realising: Support our operating partners, Cue subsidiary, and stakeholders, to identify mutual value add.

HOW WE WILL GET THERE

We use our capital resources, technical capability, relationships, values, shareholder support and flexibility to create opportunities, execute reliably and in a way that makes us proud, so that high quality people want to work with us.

Strength today and growth tomorrow



We see natural gas assets providing security of supply to an energy-constrained world as it undergoes a decades-long energy transformation. We will pursue quality investment opportunities.



Highlights

FINANCIAL RESULTS

Revenues up 18% to \$98.8m [from \$83.8m in FY22].
Net profit after tax is \$19.1m [down from \$25.7m in FY22].
Profit of 4.7 cents per share [down from 9.9cps in FY22].

PRODUCTION RESULTS

Production 1.33mmboe, up from 1.25mmboe in FY22 based on 9 months of Amadeus ownership [net to NZOG inc. Cue share].

RESERVES UPGRADE

4% at 2P total level.

ACTIVITY

A total of 8 wells have been drilled within FY23, this included 7 at Mahato and 1 at Palm Valley.

Future Activities Timeline - NZOG & Cue

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

	Asset	2023	2024	2025
Existing Permits	Kupe		Infill Well	
	Mereenie		2x Infill Wells	Further Infill Well[s] Potential Stairway Appraisal
	Palm Valley & Dingo		Dingo Compressor	
	Sampang & Oyong		Pending Paus Biru FID	
	Mahato	Ongoing development drilling BA-01 Exploration Well		
	L7		2 Exploration Wells	
	EP 437	Seismic Interpretation		1 Exploration Well

● MGA ● Development ● Exploration

*Most activities subject to further approvals

Report from the Chair and CEO



Dear shareholder,

On behalf of the Board we are very pleased to present this annual report of our activities and results.

It was a busy, active year, with development and exploration in Australia and Indonesia.

Our results have been impressive. Production was up 14% for the year, and revenue increased 18%.

Revenues are growing quickly because our strategy of growing through acquisition and developing our producing assets has proved successful.

The performance of our producing assets has been excellent, and it is pleasing that we were able to announce a reserves upgrade. Details of the new reserve figures are fully presented in this Annual Report.

Revenue from our Amadeus Basin assets in Australia's Northern Territory was up 47% compared to a year ago, and revenue from Indonesia was up 14%.

Production has been strong, and we have been exceptionally busy in our efforts to keep the momentum going.

The Palm Valley drilling programme had success from a

second sidetrack into the Pacoota (P1) sandstone, which is the current producing zone of the Palm Valley field. The well has now been tied in and is producing.

In addition, development of our Cue subsidiary's portfolio in Indonesia has been rewarding. Cue reported its highest annual revenues since 2010, demonstrating the success of its growth strategy. Our collaboration in the Amadeus Basin has been beneficial for both companies.

At the Mahato PSC, development drilling continued. Nine wells were completed as part of the field development optimisation announced in June 2022. Sixteen total wells were in production at fiscal year-end 2023 and the field is currently producing approximately 419 barrels of oil per day net to Cue.

Oil production from Cue's Maari field, offshore Taranaki, New Zealand, continued to be strong.

The returns from our efforts are being put to work, and the pace will pick up further in the year ahead.

In New Zealand, a new well will be drilled at Kupe and infill wells at Maari will aim to increase production. In Australia, infill wells are planned at Mereenie, while we look forward to the excitement of exploration drilling in our newly acquired acreage in the Perth Basin.

In Indonesia, Cue will participate in workovers of existing wells at Mahato.



While this is an intensive programme of development and exploration activity, we are able to fund it from our cash balance and ongoing cashflows.

At the end of the year we had almost fully paid off our Amadeus acquisition. This frees up more cash to grow the business further.

Production and reserves have been growing, and while we push to grow even faster, we have a favourable wind behind us.

We are witnessing unprecedented opportunities in the gas market on the East Coast of Australia, where increasing prices have improved the profitability of existing assets and make additional exploration and development activity more attractive. We are positioned to harness this opportunity through our high-quality acreage, allowing us to drive growth and create value.

As we wrote in our recently published Sustainability Report, we are proud of what we do and proud of the way we go about it. Our business exists to provide energy security and affordability for consumers across our region, in Australia, New Zealand and Indonesia.

The past year has been rewarding. We have helped our communities by producing energy they need. We have operated safely, and we have grown our business. We are proud of our results.

We would like to thank our fellow directors for their thoughtful and insightful contributions.

Our small and hard-working staff have performed beyond expectations.

As we look ahead to an exciting year, we are confident about the path we are on and we are delighted to have the support of our shareholders as we strive to create more value.

A blue ink signature of Samuel Kellner, consisting of a stylized 'S' followed by a horizontal line.

Samuel Kellner
Chairman

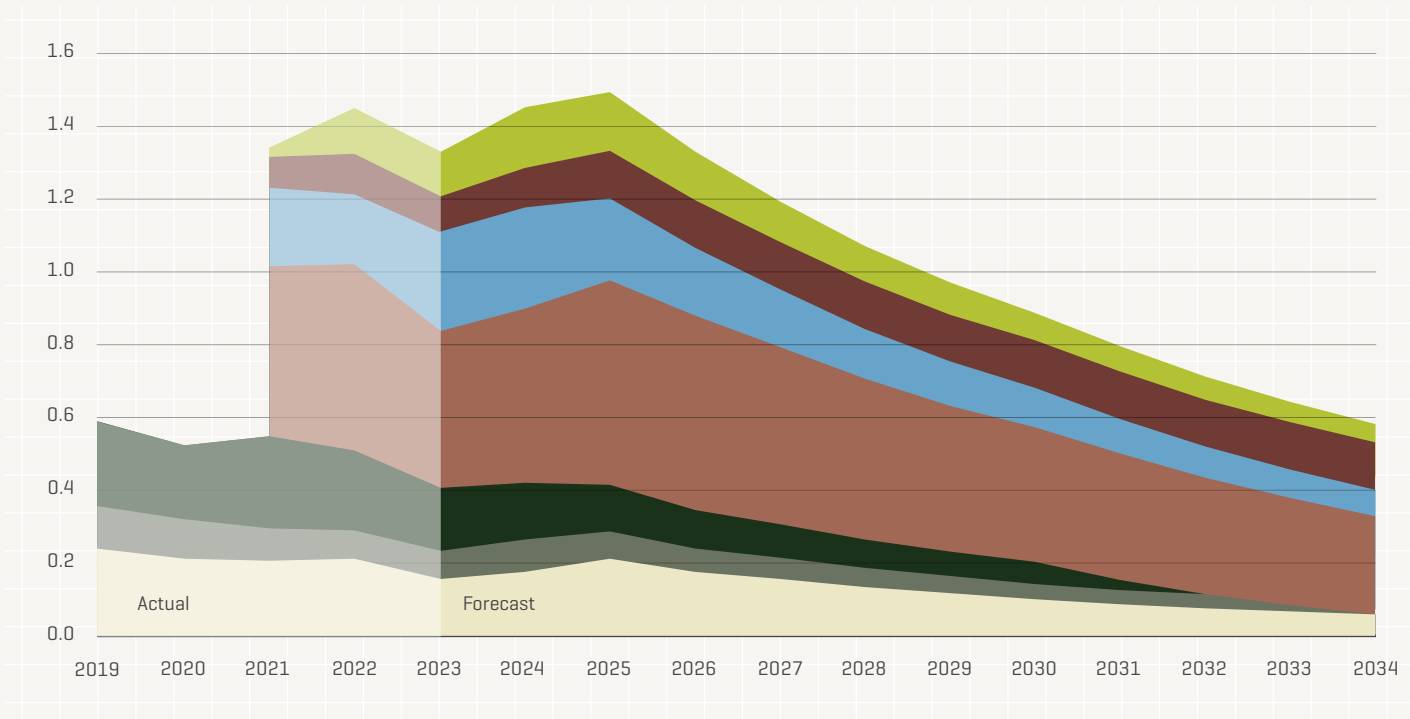
A blue ink signature of Andrew Jefferies, featuring a large, stylized 'A' with a horizontal line extending to the right.

Andrew Jefferies
Chief Executive

Production and Reserves to 2023

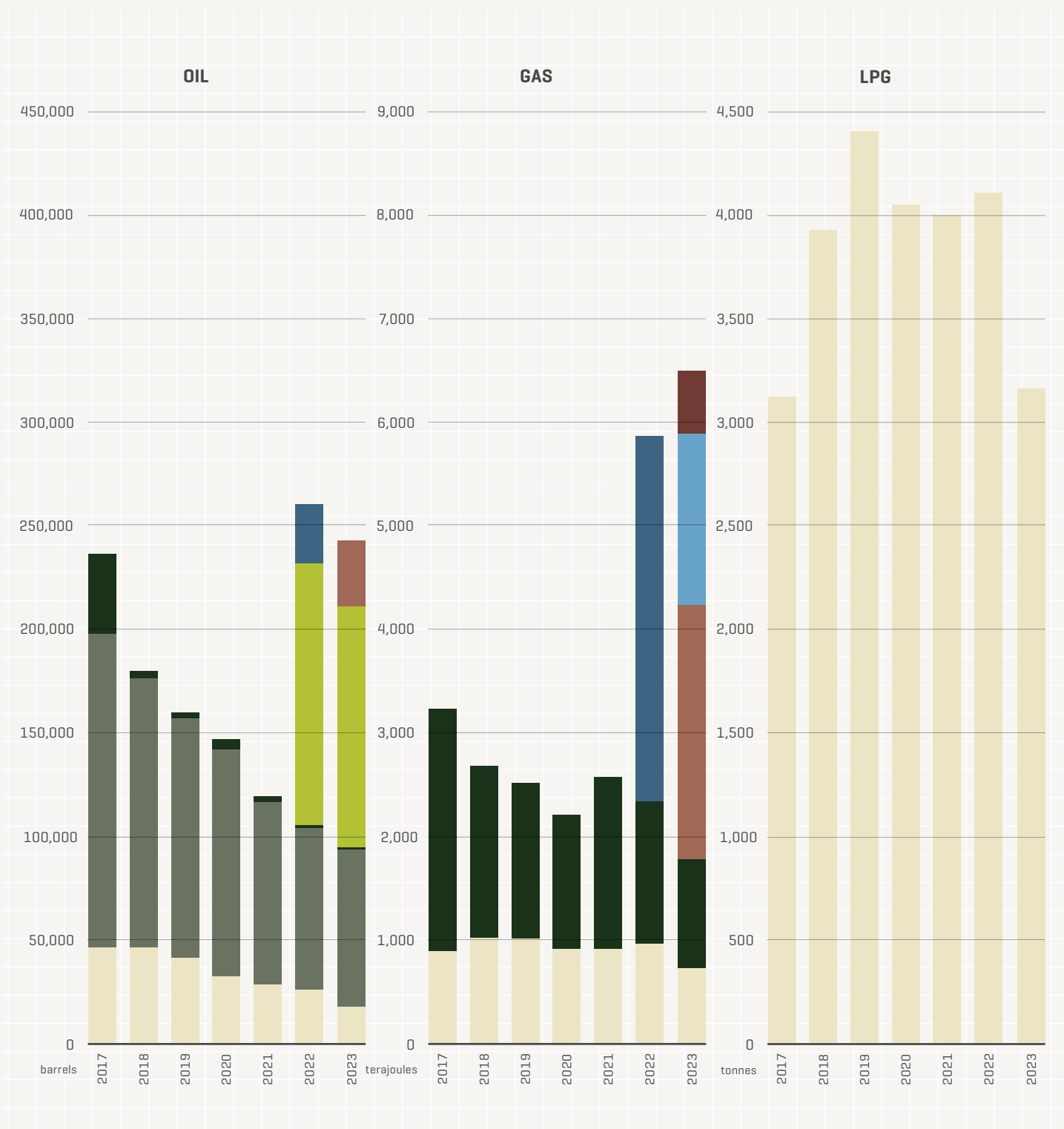
Actual and Forecast 2P Production
millions of barrels of oil equivalent

● Mahato
 ● Dingo
 ● Palm Valley
 ● Mereenie
 ● Sampang
 ● Maari
 ● Kupe



Production

New Zealand Oil & Gas share (net) Mahato Dingo Palm Valley Mereenie Sampang Maari Kupe Amadeus



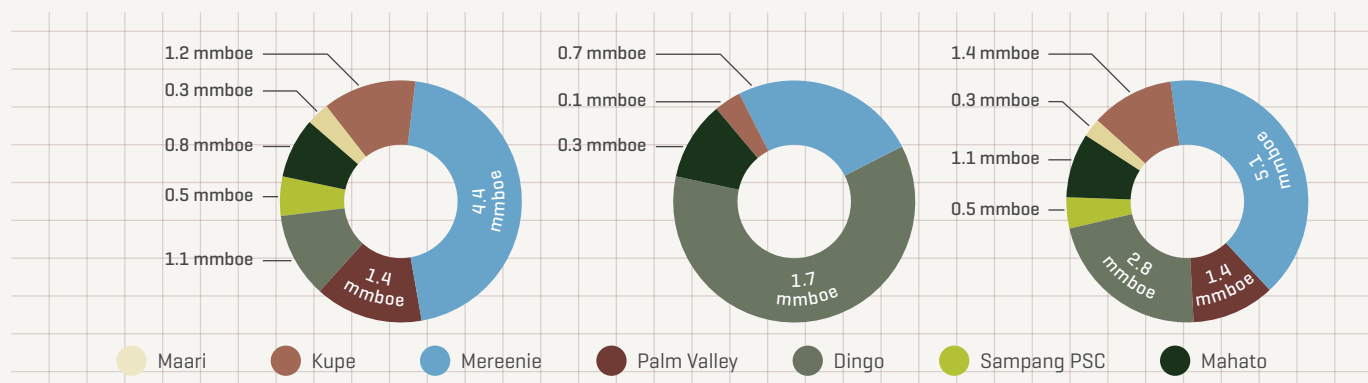
Some rounding. The New Zealand Oil & Gas interest in Mahato, Maari and Sampang is held through Cue Energy. New Zealand Oil & Gas has a 50.04% interest in Cue. Graphic shows Cue's full interest. Production from the Amadeus assets is from 1 October 2022 until 30 June 2023. The Mahato field is currently under development.

Reserves

at 1 July 2023

Proved (1P) Reserves at 1 July 2023

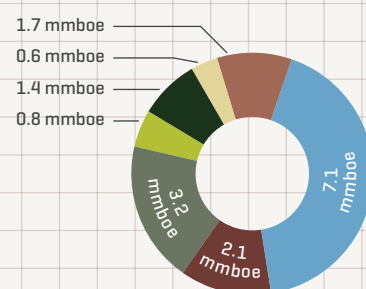
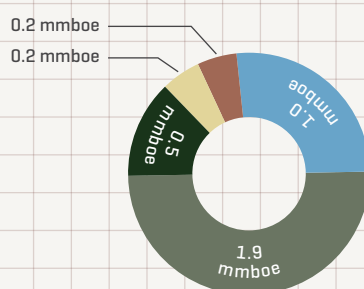
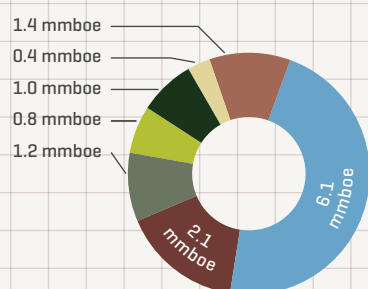
Geographic area	Developed				Undeveloped				Total			
	Gas (PJ)	LPG (kt)	Oil & Condensate (mmb)	Total (mmboe)	Gas (PJ)	LPG (kt)	Oil & Condensate (mmb)	Total (mmboe)	Gas (PJ)	LPG (kt)	Oil & Condensate (mmb)	Total (mmboe)
New Zealand												
Maari*	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Kupe	4.8	21.0	0.1	1.1	0.7	3.3	0.0	0.2	5.4	24.3	0.1	1.2
Amadeus Basin, Australia												
Mereenie**	25.3	0.0	0.3	4.4	1.4	0.0	0.0	0.2	26.7	0.0	0.3	4.6
Palm Valley**	11.7	0.0	0.0	1.9	0.0	0.0	0.0	0.0	11.7	0.0	0.0	1.9
Dingo**	10.1	0.0	0.0	1.6	7.8	0.0	0.0	1.3	18.5	0.0	0.0	3.0
Indonesia												
Sampang PSC*	2.9	0.0	0.0	0.5	0.2	0.0	0.0	0.0	3.1	0.0	0.0	0.5
Mahato*	0.0	0.0	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Total	54.7	21.0	1.6	10.7	10.1	3.3	0.0	1.7	65.5	24.3	1.6	12.5



As at evaluation date. Some rounding. Includes 100 per cent of Cue's interests. New Zealand Oil & Gas has a 50.04% interest in Cue. See statement Page 14.

Proved + Probable [2P] Reserves at 1 July 2023

Geographic area	Developed				Undeveloped				Total			
	Gas [PJ]	LPG [kt]	Oil & Condensate [mmb]	Total [mmboe]	Gas [PJ]	LPG [kt]	Oil & Condensate [mmb]	Total [mmboe]	Gas [PJ]	LPG [kt]	Oil & Condensate [mmb]	Total [mmboe]
New Zealand												
Maari*	0.0	0.0	0.4	0.4	0.0	0.0	0.2	0.2	0.0	0.0	0.5	0.5
Kupe	5.7	25.1	0.1	1.3	1.0	4.3	0.0	0.2	6.7	29.4	0.2	1.5
Amadeus Basin, Australia												
Mereenie**	35.4	0.0	0.4	6.1	3.5	0.0	0.0	0.6	38.9	0.0	0.4	6.7
Palm Valley**	12.9	0.0	0.0	2.1	0.0	0.0	0.0	0.0	12.9	0.0	0.0	2.1
Dingo**	11.6	0.0	0.0	1.9	8.2	0.0	0.0	1.3	20.2	0.0	0.0	3.3
Indonesia												
Sampang PSC*	3.4	0.0	0.0	0.6	1.3	0.0	0.0	0.2	4.7	0.0	0.0	0.8
Mahato*	0.0	0.0	1.3	1.3	0.0	0.0	0.1	0.1	0.0	0.0	1.4	1.4
Total	69.0	25.1	2.2	13.7	13.9	4.3	0.2	2.5	83.3	29.4	2.4	16.3



As at evaluation date. Some rounding. Includes 100 per cent of Cue's interests. New Zealand Oil & Gas has a 50.04% interest in Cue. See statement Page 14.

Remaining Proven & Probable [2P] Oil & Gas Reserves Change [mmboe]

Geographic area	EOFY22	Acquisition	FY23 Production	EOFY22 Adjusted	In Year Revisions	EOFY23
New Zealand						
Maari*	0.6		0.1	0.5	0.0	0.5
Kupe	1.7		0.2	1.5	0.0	1.5
Amadeus Basin, Australia						
Mereenie**	7.1		0.4	6.7	0.0	6.7
Palm Valley**	2.1		0.3	1.8	0.3	2.1
Dingo**	3.2		0.1	3.1	0.2	3.3
Indonesia						
Sampang PSC*	0.8		0.2	0.7	0.1	0.8
Mahato*	1.4		0.1	1.3	0.0	1.4
Total	17.0	0.0	1.3	15.6	0.7	16.3

*At 100% of Cue Equity in these Assets

**New Zealand Oil & Gas plus Cue Equity

Reserves Compliance Statements

Oil and gas reserves, are reported as at 1 July 2023 and follow the SPE PRMS Guidelines [2018].

This resources statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas Assets & Engineering Manager Daniel Leeman. Daniel is a Chartered Engineer with Engineering New Zealand and holds Masters' degrees in Petroleum and Mechanical Engineering as well as a Diploma in Business Management and has over 15 years of experience. Daniel is also an active professional member of the Society of Petroleum Engineers and the Royal Society of New Zealand. New Zealand Oil & Gas reviews reserves holdings twice a year by reviewing data supplied from the field operator and comparing assessments with this and other information supplied at scheduled Operating and Technical Committee Meetings.

Daniel is currently an employee of New Zealand Oil & Gas Limited whom, at the time of this report, are a related party to Cue Energy. Daniel has been retained under a services contract by Cue Energy Resources Ltd [Cue] to prepare an independent report on the current status of the entity's reserves. As of the 17th of January 2017, NZOG held an equity of 50.04% of Cue.

In the Amadeus basin, New Zealand Oil & Gas hold 12.5% and 25% equity and Cue currently holds 7.5% equity in the Mereenie field and 15% equity in each of the Dingo and Palm Valley fields. The operator here is Central Petroleum.

Kupe reserves are determined by deterministic reservoir simulation modelling conducted by the operator Beach Energy, the operator at Kupe where New Zealand Oil & Gas hold 4% equity.

Cue currently holds an equity position of 5%, 12.5% and 15% in the Maari, Mahato and Sampang assets respectively, though Production Sharing Contract adjustments at the Mahato and Sampang fields affect the net equity differently across the various reserve categories.

Estimates are based on all available production data, the results of well intervention campaigns, seismic data, analytical and numerical analysis methods, sets of

deterministic reservoir simulation models provided by the field operators (Beach Energy, DMV, Texcal, Medco and Central Petroleum), and analytical and numerical analyses. Forecasts are based on deterministic methods.

Proven [1P] reserves are estimated quantities of oil and gas which 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 have a 50% chance or better of being technically and economically producible.

Known accumulations are reserves or contingent resources that have been discovered by drilling a well and testing, sampling, or logging a significant quantity of recoverable hydrocarbons.

Net reserves are net of equity portion, royalties, taxes and fuel and flare (as applicable).

Developed reserves are expected to be recoverable from existing wells and facilities. Undeveloped reserves 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.

For undeveloped reserves, the following project maturity sub-classes are assumed- at Mahato PSC- Undeveloped- Approved for Development, at Sampang PSC- Justified for Development, at Maari- Justified for Development, at Mereenie and Dingo- Justified for Development, at Kupe- Approved for Development.

At all fields, economic modelling has been conducted to determine the economically recoverable quantities. For the conversion to equivalent units, standard industry factors have been used of 6Bcf to 1mmboe, 1Bcf to 1.05PJ, 1 tonne of LPG to 8.15 boe and 1TJ of gas to 163.4 boe. All reserves and resources reported refer to hydrocarbon volumes post-processing and immediately prior to point of sale. The volumes refer to standard conditions, defined as 14.7psia and 60°F.

The extraction methods are as follows; at Kupe gas is

produced to the processing plant and onwards sale to domestic market, LPG is trucked from site to local markets, condensate is trucked from site and sold internationally. For

Maari, oil is produced to the FPSO Raroa and directly exported to international oil markets. At Mahato, it is via EPF facilities which includes an oil and water separation system, with the oil then piped 6km to the CPI operated Petapahan Gathering Station. Sampang, gas is gathered from the Wortel and Oyong fields and piped to shore where it is sold into the Grati power station. At the Mereenie and Palm Valley gas fields, gas is gathered from the wells and ultimately collated into the Amadeus Gas Pipeline where sales vary to different customers within the region. Further afield and at Dingo, gas is sold into Alice Springs and the Owen Springs power plant.

Tables combining reserves have been done arithmetically and some differences may be present due to rounding.



Our Activities

Australia

Amadeus Basin

Mereenie (OL4 & OL5)

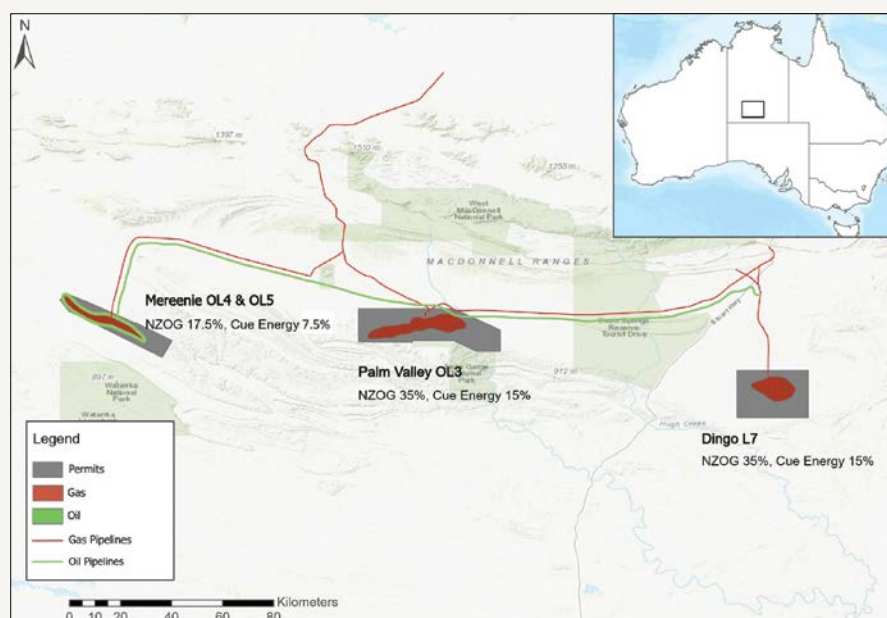
17.5% New Zealand Oil & Gas
7.5% Cue Energy Resources*
50% Macquarie Mereenie
25% Central Petroleum [Operator]

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]



What we've done

During FY23, the Amadeus basin has provided a hub of activity with successful drilling and production from the Palm Valley PV-12 well, as well as a campaign of re-completions at the Mereenie field. The delivery of the PV-12 well, and the continued strong performance of the Dingo well led to the reserves upgrade as announced on 27 July 2023.

What we're planing

Going forward in the Amadeus basin, the Joint Venture continues to review the potential for, and execution of, several activities. These include; the installation of the Flare Gas Recovery Compressor at Mereenie; further compression facilities at Dingo; in-field data acquisition at both Mereenie and Palm Valley; as well as reviewing the potential for infill drilling across the basin.

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

Perth Basin

L7

25% New Zealand Oil & Gas

25% Talon Energy

50% Triangle Energy Global (Operator)

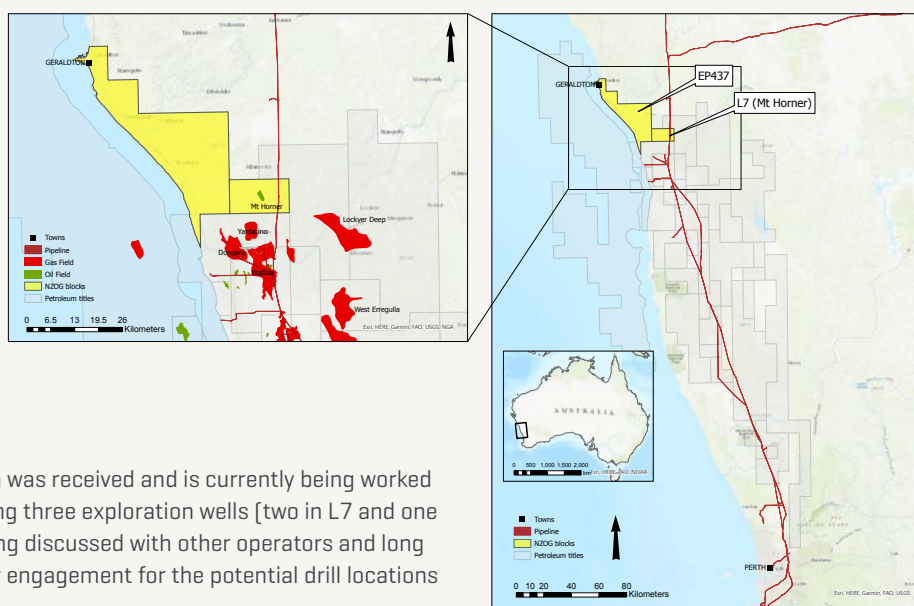
EP437

25% New Zealand Oil & Gas

25% Talon Energy

50% Triangle Energy Global (Operator)

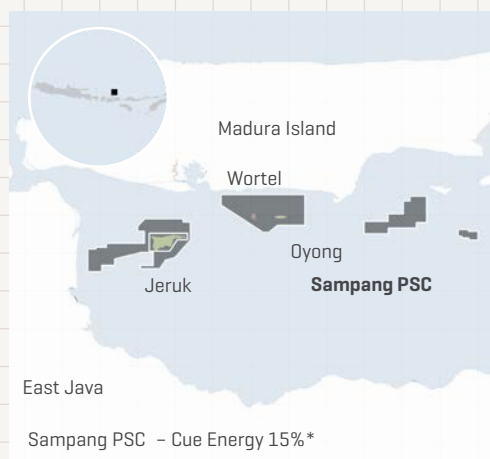
In the Perth Basin permits new seismic data was received and is currently being worked to refine the key drill ready prospects. Drilling three exploration wells (two in L7 and one in EP437), rig availability and timing are being discussed with other operators and long lead items will require ordering. Stakeholder engagement for the potential drill locations is underway.



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

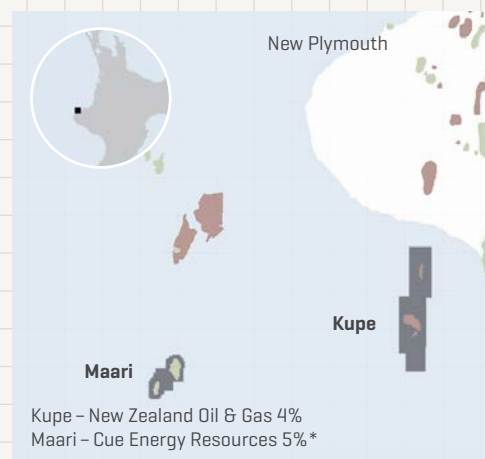
Indonesia

East Java

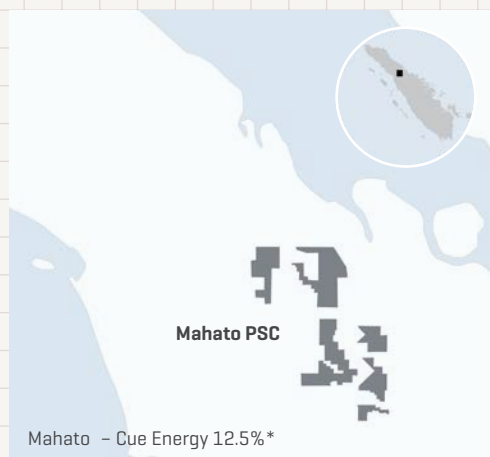


New Zealand

Taranaki

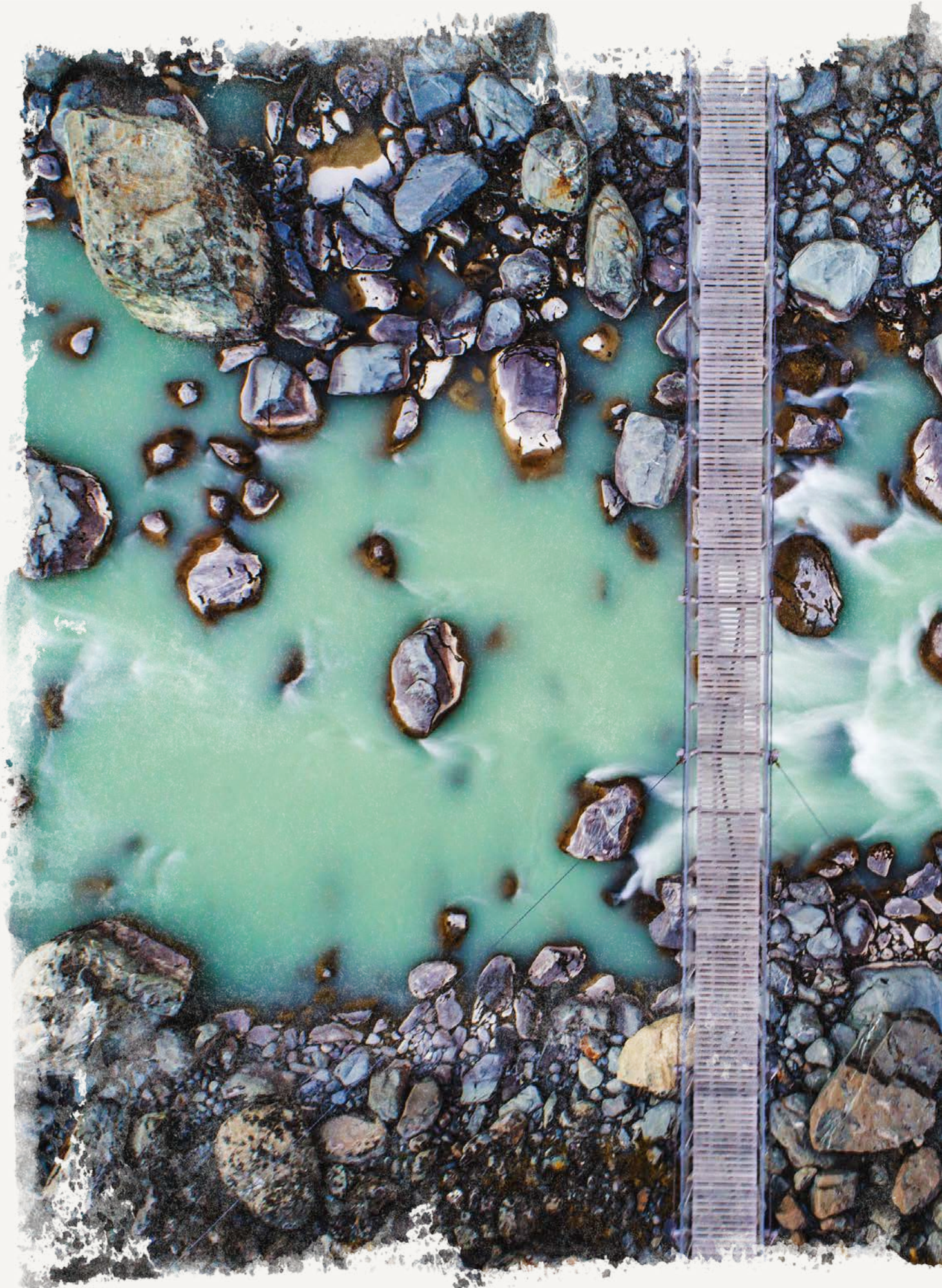


Sumatra



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







Sustainability and Community

The Company publishes a separate sustainability report. It also maintains a sustainability section on its website at: <https://www.nzog.com/sustainability/>

TCFD RISK DISCLOSURE

Taskforce on Climate-Related Financial Disclosure risks, and the framework for managing climate risks, are comprehensively reported in the Sustainability Report. TCFD reporting is also maintained on our Company website.



Supporting tree planting

555 trees planted in 2023

545 in 2022



New Zealand Oil & Gas supported the tree planting by Te Nukuroa o Matamata, which is a project led by Te Runaka o Otakou to restore habitats and rejuvenate mahika kai (food gathering places) in the lower Taieri catchment.

The lower Taieri catchment area is recognised as a precious refuge for threatened and endangered species of plants, fish and birds.

Te Nukuroa o Matamata project will:

- seek to reverse the negative effects of drainage, development, and adverse land use practices, the incursion of introduced species that have contributed to the degradation of water quality and the loss of wetlands and riparian vegetation and biodiversity in this catchment.
- create training and jobs over 3 years, focused on biodiversity enhancement through a range of wetland, river and riparian habitat restoration and protection works.
- connect people with traditional waterways and resources, and be a pathway of learning and skills development.
- improve water quality through the restoration of native vegetation condition and healthy habitat;
- reduce introduced pest plant and invasive weeds, and animal pest populations.

Tree's that count

Atarau Sanctuary

Our support helped Atarau Sanctuary to plant 270 trees in a sanctuary for kiwi chicks.

Atarau Sanctuary provides predator-free sanctuary for Paparoa Wildlife Trust's roroa [great spotted kiwi] chicks, which are hatched at Willowbank Wildlife Reserve and then put in the sanctuary until they are old enough to fend for themselves.

Atarau Sanctuary is the first land-based pest-proof crèche specifically for kiwi in the South Island and the only facility for roroa to take sanctuary until they are big enough to head out into the world. Since opening in 2010, Atarau has given sanctuary to 49 roroa chicks.

By planting this area in native plants it will replicate an environment that will be comparable to the wild environment in which the kiwi will be released.

Paparoa Wildlife Trust is a community conservation initiative dedicated to running effective conservation projects in the Paparoa Ranges near Greymouth.



"Support from organisations such as Trees that Count is really important for helping us create a safe transition for our young kiwis, and ultimately give them the best chance of survival."

Read more about Atarau Sanctuary

grow.treesthatcount.co.nz/planters/atarausanctuary/



Supporting diversity in the community

We support life-changing scientific research, science education, tree planting, and initiatives that help vulnerable families with their energy needs

Tomahawk/Smaills Beachcare Trust

Our support helped to plant 239 trees

Tomahawk Smaills Beachcare Trust's aim is to restore the habitat and biodiversity of the sand dune ecosystem in the Ocean Grove Reserve, and to provide long term protection to the Ocean Grove community against the threat of erosion.

Ocean Grove Reserve is a 28 hectare site of active sand dunes located approximately 6 kilometres from Dunedin city centre.

The Trust contributes to restoration through hands-on participation in nursery activities and native planting.

The Trust sustains local relationships across a diverse group of people by offering a positive opportunity to contribute to a common environmental cause.

Otago Fish & Game Council

Our support helped to plant 400 trees in a wetland area

Otago Fish and Game is a not for profit organisation charged with maintaining and enhancing sportsfish and gamebirds and their habitat.

Takitakitoa is an ongoing wetland restoration of significance. The planting programme, which is designed to convert a previously grazed area of the wetland back into native shrubland, has been running for 4 years.

Rain, hail or shine, nothing will stop the crew from completing their planting down at the Takitakitoa Wetland! With all this good quality habitat around, the place is teeming with life.



Proudly Rainbow Inclusive

New Zealand Oil & Gas is proud to earn a Rainbow Tick and be a leader in our industry in accepting and valuing people in the workplace, embracing the diversity of sexual and gender identities.

The Tick certification process tests whether a workplace understands and welcomes sexual and gender diversity. The process involves an on-going quality improvement process. Rainbow refers to people who identify as lesbian, gay, bisexual, transgender, takatāpui and intersex (LGBTQIA+).

Read more about Otago Fish & Game Council

grow.treesthatcount.co.nz/planters/fishgamenewzealand/#funding



Supporting world class life science



The Salk Institute for Biological Studies

New Zealand Oil & Gas financially supports the Salk Institute, home to scientists who delve into research areas, from aging, cancer and immunology to diabetes, brain science and plant biology.

The Salk Institute's renowned and award-winning scientists explore the very foundations of life, seeking new understandings in neuroscience, genetics, immunology, plant biology and more.

Be it cancer or Alzheimer's, aging or diabetes, Salk is where cures begin.

Our support goes specifically to the Harnessing Plants Initiative to mitigate climate change by developing crop and wetland plants that will store more carbon, longer, to reduce atmospheric CO₂.



Supporting vulnerable families with their energy needs



Dunedin Curtain Bank

Dunedin is notorious for cold homes that make children sick. The cost of energy bills and insulation can create hardship for vulnerable families.

New Zealand Oil & Gas proudly partners with Dunedin Curtain Bank to up-cycle unwanted and unused curtains, line them, and distribute them to needy families.

Curtains make a big difference to the warmth of a home. A third of all heat loss in an uninsulated home occurs through windows. Even double-glazed windows let out more heat than uninsulated walls.

We purchased curtains for 140 needy households in Dunedin. Our curtain purchases:

- **Saved around 8.4 tCO₂** from being emitted.
- Each household **saved an average \$170 a year.**
- **Saved around \$23,000** for the houses we help through the Dunedin Curtain Bank.



Supporting science education



Inter-School
Science
and Engineering
Competition

EPro8 Challenge

New Zealand Oil & Gas supports EPro8 Challenge, an Inter-School Science and Engineering Competition. Every year over 22,000 students from throughout New Zealand take part.

Students participate in a series of events: firstly within their school and then inter-school. These events are designed to promote science and engineering.

We want to make a contribution to the community where our head office is located, so our support went to help students from Wellington Central and Porirua.

Otago Science Fair

Each year New Zealand Oil & Gas sponsors a number of awards at the Otago Science Fair to help students understand more about earth, science, energy efficiency, Mātuaranga Māori, marine science and much more.



Supporting communities where we work

Amadeus Basin

The joint venture in the Amadeus Basin assets works closely with the community. It aims to provide employment and business opportunities to local communities.

Over \$4 million was spent with Northern Territory local contractors and businesses in the reporting period.

In the Northern Territory, over half of the operator's staff live locally and a quarter are indigenous.

New Zealand Oil & Gas supports the operator's open engagement with the Traditional Owners of our Northern Territory joint operations located on or near Indigenous lands, providing employment and training opportunities. The joint venture operator works closely with the Central Land Council and Aboriginal Areas Protection Authority to ensure operations do not disturb areas of cultural heritage significance.

Other Joint Ventures

Through our joint ventures we also support community engagement projects in respect of Kupe and Maari in New Zealand and via Cue Energy Resources in Indonesia.

Corporate Governance



New Zealand Oil & Gas Limited [the Company] is a New Zealand incorporated and domiciled limited liability company registered under the New Zealand Companies Act 1993.

The Company is listed and its shares quoted on the official list of the Australian Securities Exchange (ASX) and on the Main Board equity security market operated by NZX Limited (NZX) as a foreign exempt entity. On both exchanges the Company's code is "NZO". From a regulatory perspective this means that, while the ASX Listing Rules apply to the Company, certain provisions of the Australian Corporations Act 2001 [Cth] do not. The Company is not subject to chapters 6, 6A, 6B, and 6C of the Australian Corporations Act 2001 [Cth] dealing with the acquisition of shares (including substantial holdings and takeovers). The Companies Act 1993 [NZ] applies to the Company, as do certain provisions of the Financial Markets Conduct Act 2013 [NZ] (including in relation to financial reporting, but not including provisions relating to substantial shareholdings). Key limitations on the acquisition of shares in the Company are imposed by the following New Zealand legislation: Commerce Act 1986, Overseas Investment Act 2005, and Takeovers Act 1993, together with various regulations and codes promulgated under such legislation.

This statement sets out the main corporate governance practices adopted by the Company.

Corporate Governance Best Practice Codes

The Company reviews and assesses governance processes, policies, and its compliance with corporate governance best practice at least annually.

This includes assessing compliance with the ASX Listing Rules, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) 2019 [ASX Principles and Recommendations], and the NZX Listing Rules and Corporate Governance Code 10 December 2020 [NZX code].

Under Listing Rule 4.10.3, ASX listed entities are required to benchmark corporate governance practices against the ASX Principles and Recommendations and, where they do not conform, to disclose that fact and the reasons why.

This section of the report is structured to report performance against the ASX Principles and Recommendations.

This Corporate Governance Statement is current to, and was approved by the board on, 20 September 2023.

Board Composition

Samuel Kellner
Chairman



Samuel Kellner has held a variety of senior executive positions with the Ofer Global Group since joining the Group in 1980. He has been deeply involved in various Ofer Global Group's business lines, with a particular emphasis on offshore oil and gas, shipping and real estate, and has advised the Ofer Global Group companies on investments in a variety of investment managers, hedge funds and private equity funds. Most recently, Mr Kellner served as president of Global Holdings Management Group [US] Inc, where he led North American real estate acquisition, development and financing activities. Mr Kellner serves as a director of O.G. Energy, O.G. Oil & Gas and Cue Energy Resources. He is also an executive director of the main holding companies for the Zodiac shipping group and Omni Offshore Terminals, a leading provider of floating production, storage and offloading [FSO and FPSO] solutions to the offshore oil and gas industry. As a member of the O.G. Energy Senior Management Committee, he helps drive the strategy for the Ofer Global Group's energy activities.

Mr Kellner graduated with a BA degree from Hebrew University in Jerusalem. He has an MBA from the University of Toronto, and taught at the University of Toronto while working toward a PhD in Applied Economics. Mr Kellner was appointed in December 2017. He is the Chairman of the Board of Directors and a member of the Nomination and Remuneration Committee.

Dr Rosalind Archer
Independent Director



Dr Rosalind Archer joined the board of New Zealand Oil & Gas in November 2014. Dr Archer is Head of the School of Engineering and Built Environment at Griffith University in Queensland. Dr Archer is a former President of Engineering New Zealand. She runs a consulting practice as a reservoir engineer with clients locally and internationally. She regularly speaks on reservoir engineering topics at international conferences.

Dr Archer graduated with a BE from University of Auckland. She holds a PhD in Petroleum Engineering, and PhD minor in Geological and Environmental Studies from Stanford University.

Marco Argentieri

Director



Marco Argentieri is Senior Vice President and General Counsel for O.G. Energy, and a member of the Board of Directors of both O.G. Energy and O.G. Oil & Gas.

As a member of the O.G. Energy Senior Management Committee, he helps drive the strategy for the Ofer Global Group's energy activities. Mr Argentieri serves as the chief legal counsel for the O.G. Energy Group, where he advises on financing activities, acquisitions, and other commercial and corporate matters. Mr Argentieri has worked for the Ofer Global Group since 2006, where he previously served as chief legal counsel responsible for Ofer Global Group finance activities, with a particular focus on the Group's offshore oil services and shipping businesses. Prior to joining Ofer Global, Mr Argentieri was an attorney at the New York offices of Latham & Watkins LLP and Skadden, Arps, Slate, Meagher & Flom LLP.

He holds a B.A. from the University of Rochester, a J.D. from New York University, and an MBA from Columbia University. Mr Argentieri joined the board in July 2018.

Alastair McGregor

Director



Alastair McGregor has been actively involved in the oil and gas sector since 2003. He is currently chief executive of O.G. Energy, which holds the Ofer Global Group's broader energy interests, and O.G. Oil & Gas Limited, a company that holds directly or indirectly oil & gas exploration and production interests onshore and offshore. He leads the O.G. Energy Senior Management Committee, driving the strategy for the Ofer Global Group's energy activities.

Mr McGregor is also the chair of Cue Energy Resources. In addition, he is chief executive of Omni Offshore Terminals Limited, a leading integrated provider of floating production and storage and offloading (FPSO & FSO) solutions to the offshore oil & gas industry. Omni's operations span the globe from New Zealand, Australia, South East Asia, Middle East and South America. Prior to entering the oil and gas industry, Mr McGregor spent twelve years as a banker with Citigroup and Salomon Smith Barney.

Mr McGregor holds a BEng (hons) in Aeronautical Engineering and an MSc in Transport Management, Economics and Finance. Mr McGregor joined the board in October 2017.

Andrew Jefferies

Managing Director



Mr Jefferies joined New Zealand Oil & Gas in 2013. He started his career with Shell in Australia and has worked in oil and gas in Australia, Germany, the United Kingdom, Thailand and Holland. Mr Jefferies is also a graduate of the Australian Institute of Company Directors (GAICD), and a Certified Petroleum Engineer with the Society of Petroleum Engineers.

After graduating with a BE Hons (Mechanical) from the University of Sydney, Mr Jefferies earned an MBA in technology management from Deakin University in Australia, and an MSc in petroleum engineering from Heriot-Watt University in Scotland.

Rod Ritchie

Independent Director



Rod Ritchie joined the board in 2013. He began his career as a petroleum engineer with Schlumberger for 28 years and then joined OMV, where he worked for a further twelve years. Mr Ritchie has more than 40 years of global experience in leadership roles and as a Health, Safety, Environmental and Security (HSSE) executive in the oil and gas industry, including serving as corporate Senior Vice President of HSSE and Sustainability at OMV in Vienna, Austria.

Mr Ritchie has worked closely with the International Association of Oil and Gas Producers (IOGP) to create industry best practice standards for the oil and gas sector. He is an active leadership and cultural change consultant, and an author on the subject of safety leadership and several Society of Petroleum Engineers papers on the subject of HSSE and safety leadership.

Composition of the Board

The number of directors is specified in the constitution as a minimum of three and up to a maximum of seven.

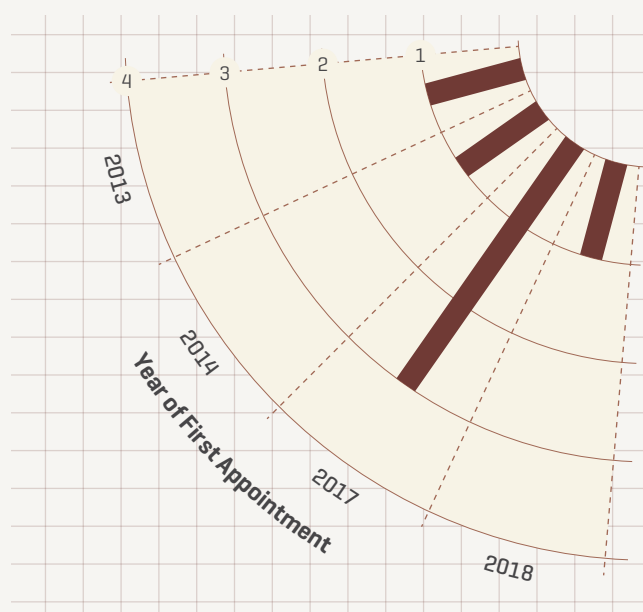
With our primary ASX listing, two directors must be ordinarily resident in Australia. Dr Archer and Mr Ritchie are ordinarily resident in Australia.

The NZ Companies Act requires one director to live in New Zealand (or in an enforcement country and be a director a company there e.g., Australia). Mr Jefferies lives in New Zealand.

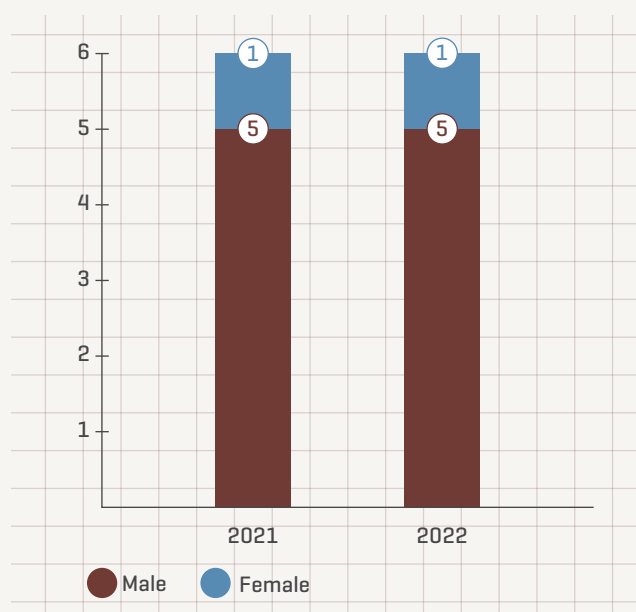
The Company's constitution requires directors to retire at the third Annual Meeting since their last appointment, or every three years (whichever is longer). If eligible, each retiring director may offer themselves for re-election.

Directors holding office during 1 July 2022 to 30 June 2023

Directors	Date elected	Year first appointed
Dr Rosalind Archer	3 November 2021	2014
Marco Argentieri	3 November 2021	2018
Andrew Jefferies	3 November 2021	2017
Samuel Kellner	3 November 2021	2017
Alastair McGregor	5 November 2020	2017
Rod Ritchie	2 November 2022	2013



Board Gender Composition



Directors Interests Policy

Directors are required to recognise that the possibility of conflict of interest exists, and are expected to declare potential conflict of interest situations to the board and manage conflicts of interest in accordance with the Directors Interests Policy, the Code of Business Conduct and Ethics, and the Company's Constitution.

The Company maintains an interests register in compliance with the Companies Act 1993, which records particulars of certain transactions and matters involving directors.

The Directors' Interests Policy is available in the corporate governance section of the Company's website at:

www.nzog.com/dmsdocument/489

Directors' Securities Interests

The interests of Directors in securities of the Company at 30 June 2023 were:

	Direct Interest	Indirect Interest
Mr A Jefferies	50,000	1,801,258 share options

Directors' Interests Register

Directors' interests recorded in the Interests Register of the Company as at 30 June 2023 are detailed below.

Notices given or adjusted during the financial year ended 30 June 2023 are marked with an asterisk [*].

Each such Director will be regarded as interested in all transactions between the Company and the disclosed entity.

Mr S Kellner	O.G. Oil & Gas Ltd	Director
	O.G. Energy Holdings Ltd	Director
	Omni Holdings Ltd	Director
	Cue Energy Resources Ltd	Director
Mr M Argentieri	O.G. Energy Holdings Ltd	Director
	O.G. Oil & Gas Ltd	Director
	OGOG [Kohatukai] Ltd	Director
	OGOG [Otway] Holdings Pty Ltd	Director
	OGOG [Otway] Pty Ltd	Director
	OGOG [1] Limited	Director
	OGOG [2] Limited	Director
	OGOG [K2] Inc.	Vice-President/ Treasurer/ Secretary/ Director
	OGOG [GOM1] Inc.	Vice-President/ Treasurer/ Secretary/ Director
	OGOG [GOM Management] Inc.	Vice-President/ Treasurer/ Secretary/ Director
	OGOG [Management] Limited	Director
	OGOG [Warrior] Inc*	Director
	Cue Energy Resources Ltd	Director
Dr R Archer	Engineering New Zealand	Immediate Past President*
	Capricorn Solutions Ltd	Director
	Contact Energy	Shareholder*
	Infratil	Shareholder*
	NZ Windfarms	Shareholder*
	Griffith University	Head of School of Engineering and Built Environment*

Mr A Jefferies	88 Energy Ltd	Shareholder
	Carnarvon Petroleum Limited	Shareholder
	Central Petroleum	Shareholder
	CGX Energy	Shareholder*
	Cue (Ashmore Cartier) Pty Ltd	Director
	Cue Energy Resources Ltd	Director & Shareholder
	Cue Exploration Pty Ltd	Director
	Cue Mahakam Hilir Pty Ltd	Director
	Cue Mahato Pty Ltd	Director
	Cue Sampang Pty Ltd	Director
	Cue Taranaki Pty Ltd	Director
	Energy Resources Aotearoa	Director
	Global Energy Ventures	Shareholder*
	Hartshead Resources	Shareholder*
	Melbana Energy	Shareholder*
	Pancontinental Oil	Shareholder
	Tuatara Energy Limited	Director
	Warrego	Shareholder
Mr R Ritchie	Cue Energy Resources Ltd	Director
	SPARC NZ consulting	Director
	Sparc (Aust) Pty Ltd	Shareholder
	SacGasCo	Shareholder

Mr A McGregor	Cue Energy Resources Ltd	Director
	Cue Kalimantan Pte Ltd	Director
	Omni Holdings Limited	Director
	Omni Offshore Terminals Pte Ltd	Director
	Omni Offshore Terminals [Operations] Pte Ltd	Director
	Omni Offshore Terminals [Manora] Pte Ltd	Director
	Omni Offshore Terminals [Nong Yao] Pte Ltd	Director
	Gading Megah Sdn Bhd	Director
	Omni Offshore Terminals [Operations] (Thailand) Co Ltd	Director
	Omni Offshore Terminals [Brazil] B.V.	Director*
	Omni Offshore Terminals [Lay-Up] B.V.	Director*
	Aurora FSO Ltd	Director
	Manora FSO Ltd	Director
	O.G. Oil & Gas [Singapore] Pte Ltd	Director
	O.G. Oil & Gas Ltd	Director
	O.G. Energy Holdings Ltd	Director
	OGOG [Kohatukai] Ltd	Director
	OGOG [Otway] Pty Ltd	Director
	OGOG [Otway] Holdings Pty Ltd	Director
	OGOG [1] Limited	Director
	OGOG [2] Limited	Director
	O.G. Oil & Gas [Oceania] Pte. Ltd	Director
	OGOG [K2] Inc.	President/Director
	OGOG [GOM1] Inc	President/Director
	OGOG [GOM Management] Inc.	President/Director
	OGOG [GOM NZ] Limited	Director
	OGOG [GOM Management] Limited	President/Director
	OGOG [Warrior] Inc.	Director

** Name change from previous declaration

Management

Andrew Jefferies
Chief Executive



See biographical note above.

Daniel Leeman
General Manager Assets
and Engineering



Daniel was appointed General Manager Assets and Engineering in 2021 after joining New Zealand Oil & Gas in 2014. He has over 15 years of experience within the petroleum industry. Daniel began his career at Talisman Energy [UK] working within the Rotational Graduate Engineering Programme where he specialised as a Drilling Engineer. He later worked at Senergy [UK] as a Reservoir Engineer, then Conoco Phillips [UK], where he was a Senior Reservoir Engineer. Daniel is a Chartered Professional Engineer with Engineering New Zealand and holds Master's degrees in Petroleum Engineering from Heriot-Watt University, and Mechanical Engineering with a Diploma in Business Management from the University of Aberdeen. Daniel is also an active professional member of the Society of Petroleum Engineers and the Royal Society of New Zealand.

Alan Clare
General Manager
Exploration and Appraisal



Alan joined New Zealand Oil & Gas in March 2023. He started his career with Esso Australia in 1989 after graduating from Macquarie University with a BSc Hons [Earth Science] and later an MSc from University of NSW. Alan has worked in the energy sector for over 33 years in Australia, UK, USA, China, Egypt and New Zealand.

He has held both technical and managerial roles with ConocoPhillips, Apache and OMV.

Catherine McKelvey
Chief Financial Officer



Catherine has worked in finance for over 30 years, including nine years in the energy sector. She has been CFO at New Zealand Oil & Gas since 2017. Deeply experienced in corporate finance, and a Chartered Management Accountant, she holds a BA in Economics.

Paris Bree

General Counsel



Paris started as a lawyer with New Zealand Oil & Gas in 2010 after having been a solicitor in the Bell Gully Wellington and Herbert Smith Freehills London litigation departments. Paris has a law degree and an arts degree from Victoria University of Wellington and is admitted to the High Court of New Zealand as a Barrister and Solicitor. She is also a delegate of the University of Dundee Centre for Energy after completing the Petroleum and Mineral Law and Policy course on Petroleum Agreements and a delegate of CWC's Production Sharing Contracts-Advanced Master Class.

Paris was awarded the Anthony Harper Young In-House Lawyer of the Year at the 2019 New Zealand Law Awards. She was named as an In-house Leader by NZ Lawyer magazine in 2020 and 2022 and NZ Lawyer Elite Women 2021.

Paris was appointed General Counsel in 2017.

Michael Wright

General Manager Commercial



Michael Wright joined New Zealand Oil & Gas in 2012 having worked in the energy sector for over 30 years. Michael started his career working on gas distribution networks before spending 11 years planning and developing power stations. In 2003 Michael joined OMV and subsequently joined Vector to manage the implementation of pipeline open access. Michael has also worked as a consultant advising companies in various parts of the energy sector.

Michael has a Master's degree in Mechanical Engineering from Cranfield University, UK.

The interests of the current Company Officers [excluding the Chief Executive] in securities of the Company at 30 June 2023 were:

Officers	Direct interest in New Zealand Oil & Gas securities	Indirect interest in New Zealand Oil & Gas securities
Paris Bree	688,756 options to acquire ordinary - shares in accordance with Scheme Rules	-
Alan Clare		-
Daniel Leeman	712,158 options to acquire ordinary - shares in accordance with Scheme Rules	-
Catherine McKelvey	10,214 directly held ordinary shares - 715,723 options to acquire ordinary shares in accordance with Scheme Rules	-
Michael Wright	920,612 options to acquire ordinary - shares in accordance with Scheme Rules	-

PRINCIPLE 1

Lay solid foundations for management and oversight

Clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

- [ASX Principles and Recommendations]

Role of the Board

The board is responsible for the overall corporate governance of the Company including strategic direction, determining policy, and approving significant contracts, capital and operating costs, financial arrangements and investments.

In addition to statutory and constitutional requirements, the board has a formal charter that sets out its functions and structure.

Responsibilities of the Board

The board operates under a written charter which sets out the roles and responsibilities of the board. The Board Charter clearly distinguishes and discloses the respective roles and responsibilities of the board and management.

The procedure for nomination and appointment of directors to the board is set out in the Charter.

The board is accountable for the performance of the Company. The specific responsibilities of the board include:

- Approving corporate strategy and performance objectives;
- Establishing policies appropriate for the Company;
- Oversight of the Company, including its control and accountability systems;
- Approving major investments and monitoring the return of those investments;
- The overall risk management and control framework for the Company and ensuring appropriate risk management systems are established and applied;
- Appointing, removing and evaluating the performance of the chief executive;
- Reviewing the performance of senior management;
- Appointing and removing the company secretary;
- Setting broad remuneration policy;
- Reviewing implementation of strategy and ensuring appropriate resources are available;
- Nominating and appointing new directors to the board;
- Evaluating the performance of the board, committees of the board, and individual directors;
- Reviewing and ratifying systems of risk management, internal compliance and control, codes of conduct, and legal compliance;
- Approving and monitoring the progress of any major

The Board Charter is available in the corporate governance section of the Company's website at

 www.nzog.com/dmsdocument/371

capital expenditure, capital management and acquisitions and divestitures;

- Reviewing and ratifying HSSE Sustainability and Operational Risk policies, the HSSE Sustainability and Operational Risk Management System and monitoring its implementation and performance;
- Approving and monitoring financial and other reporting;
- Ensuring that the Company provides continuous disclosure of information such that shareholders and the investment community have available all information to enable them to make informed assessments of the Company's prospects;
- Overall corporate governance of the consolidated entity;
- Determining the key messages that the Company wishes to convey to the market from time to time; and
- Monitoring information commitments and continuous disclosure obligations.

Performance reviews of the Board

The board charter states: The board shall undertake regular reviews of the operations and performance of the board, its committees and individual directors. Where appropriate, the board may engage external consultants to conduct this review. In addition to compliance with each committee's individual charter, the review shall consider:

- The skills required by the board, including processes to satisfy any skill-gaps;
- How the required skills are best represented on the board; and
- The process for identifying suitable candidates, for appointment to the board.

Reviews are undertaken by way of a questionnaire submitted to directors. Responses are collated and reviewed by the chair of the Nominations and Remuneration Committee.

The chair of the Nominations and Remuneration Committee then undertakes an overall review on the outcomes and produces a written report which is reviewed by the full board. Individual director performance is addressed by one-on-one review with the chair of the Nominations and Remuneration Committee.

For the financial year, the Nominations and Remuneration Committee agreed that the above process that was followed.

Board Proceedings

The board meets on a formal scheduled basis four times per year, and holds other meetings as required, including by video conference.

The Commercial Committee and the Company Secretary establish the agenda for each board meeting.

The Chief Executive keeps the board informed of material or potentially material matters between meetings and provides a weekly update to the board on all relevant matters.

A report is prepared for each meeting, which includes:

- Updates on assets
- Updates on exploration and production activities and financial management;
- Summaries of new business opportunities;
- An update on human resources and facilities;
- An investor relations report;
- Updates on stakeholder engagement, media and sustainability; and
- Other reports as relevant.

Key strategic issues and opportunities are also presented to the board by management as part of each meeting.

To ensure that independent judgement is achieved and maintained, the board has adopted a number of processes in respect of its decision making. These include:

- Any director may obtain independent advice at the Company's expense where the director considers it necessary to carry out their duties and responsibilities as a director, with the prior consent of the chair of the Audit Committee [or in the case of the Audit Committee chair's absence, the prior consent of the chair of the board]. Such consent may not be withheld unreasonably; and
- Directors must comply with the Directors' Interests Policy. It addresses disclosable interests, conflicts of interest, director information obligations, board review and determination obligations, and the rules for participation in board deliberations in the event of a conflict of interest.

On appointment, each director has also acknowledged their individual disclosure obligations.

The Directors' Interests Policy is available in the corporate governance section of the Company's website at

 www.nzog.com/dmsdocument/489

Delegation to Management

While the board has overall and final responsibility for the business of the Company, it has delegated substantial responsibility for the conduct and administration of the Company's business and policy implementation to the chief executive and his management team.

Board approved policies and procedures are in place to set parameters for the delegated responsibilities, including:

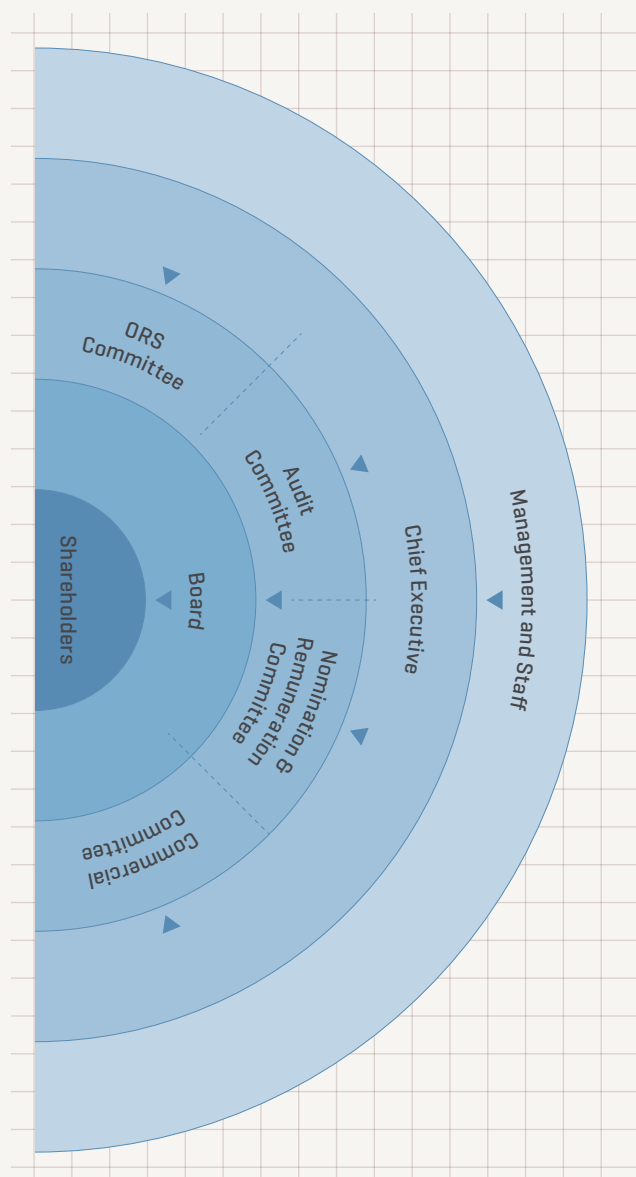
- Health and Safety Policy;
- Environment Policy;
- Climate Change Policy;
- Community Engagement Policy;
- Capturing Local Economic Benefit Policy;
- Code of Business Conduct and Ethics;
- Communications, Market Disclosure and Social Media Policy;
- Securities Trading Policies for Directors, Employees and Dedicated Contractors;
- Directors' Interests Policy;
- Protected Disclosure [Whistleblower] Policy;
- Diversity Policy;
- Delegated Authorities Manual;
- Remuneration and Performance Appraisal Policy;
- Treasury Policy;
- Email and Internet Use Policy;
- Anti-Harassment Policy;
- Drugs and Alcohol Policy;
- Paid Parental Leave Policy; and
- Workplace Flexibility Policy.
- Modern Slavery Policy.

These policies are reviewed regularly. The board may establish other policies and practices to ensure it fulfils its functions.

Delegated Authorities Manual

The board has established formal limits of authority to provide clarity to the chief executive and management so that they are in a position to carry out the business of the Company efficiently and effectively within the parameters of proper corporate governance.

The Delegated Authorities Manual sets limits to financial commitments and other decision-making, and is monitored by the board through the audit function.



All of these policies are available in the corporate governance section of the Company's website at

www.nzog.com/investor-information

PRINCIPLE 2

Structure the board to be effective and add value

The board should be of an appropriate size and collectively have the skills, commitment, and knowledge of the entity and the industry in which it operates to enable it to discharge its duties effectively and to add value.

- [ASX Principles and Recommendations]

Composition of the Board

The board as a whole, supported by the Nomination and Remuneration Committee, undertakes the process for identifying suitable candidates for appointment to the board and recommending directors for appointment, having reviewed its operations, the performance of individual directors, the qualifications of candidates for the board, the skills required by the board, and how the required skills are best represented.

The board provides clear recommendations and relevant information in the Notice of Meeting at which candidate directors are put forward. Biographical information is presented in the Notice of Meeting, and further information about directors is presented on the company's website.

Where possible, the process of vetting prospective directors includes background checks into character, education, criminal record, and bankruptcy. The Nomination and Remuneration Committee also undertakes other vetting procedures that it deems appropriate in the circumstances.

As the board has not recommended any new candidate since 2018, these checks have not been performed in the past year. Background checks have not been undertaken where directors are nominated by the major shareholder of the Company, reflecting the reality of the ownership structure of the Company.

Upon appointment to the Company's board, directors are advised of salient requirements and policies. Obligations such as disclosure of interests, managing conflicts, and share trading are managed through policies. Directors have received training in health and safety governance. Further training about how to best perform their duties as directors was not required during the reporting period as the Company has robust policies around director duties and the board's skills are appropriate.

When the Company converted its listing to being primary listed on the ASX, each director entered into individual written agreements with the Company consistent with ASX listing rule 3.19B.

The Company enters into an employment agreement with the managing director and the senior executives, the material terms of which are disclosed below.

The Company Secretary is Paris Bree, who is also the company's General Counsel. She is appointed by the board and accountable directly to the board.

The company was not in the S&P/ASX 300 Index at the commencement of the reporting period, and is not a "relevant employer" under the Workplace Gender Equality Act.

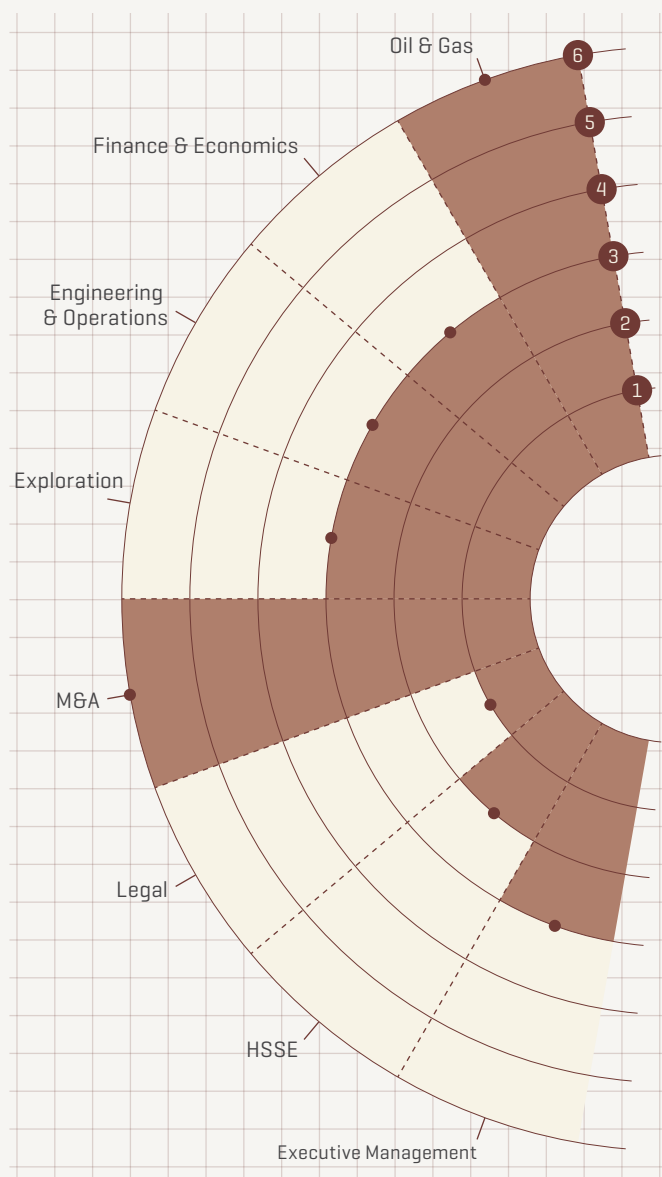
Board Skills

Board skills are set out in the accompanying chart.

The board considers its composition brings together skill-sets that are highly valued in the industry. The board has a balance of independence, skills, knowledge, experience, and perspectives.

In considering the appropriate board composition, account is given to whether or not a shareholder owns a majority of the shares in the Company. The board composition is a

Number of Directors with Specific Skillset



consequence of the Company's ownership structure.

Two out of six directors are independent. The chair is not independent, reflecting the ownership structure of the Company. The chair and CEO are not the same person.

The board has determined that as at 30 June 2023, Dr Archer and Mr Ritchie are independent directors as they do not fall into any of the categories specified in the ASX Principles and Recommendations as being examples of interests, positions and relationships that might raise issues about the independence of a director.

Mr Kellner, Mr Argentieri, and Mr McGregor are not independent because of their association with O.G. Oil & Gas Limited, which is a substantial shareholder in New Zealand Oil & Gas Ltd.

Mr Jefferies is not independent because he is the managing director of New Zealand Oil & Gas.

Upon appointment to the Company's board, directors are advised of salient requirements and responsibilities for directors of the Company.

Committees of the Board

The Board has established the following committees to assist it by focusing on specific responsibilities, reporting back to the Board and making any necessary recommendations:

- Audit Committee,
- Nominations and Remuneration Committee,
- Operational Risk and Sustainability Committee,
- Commercial Committee.

Each committee has a Charter, approved by the Board and reviewed regularly. The Board has sole responsibility for the appointment of directors to committees. Any director is entitled to attend a meeting of a committee if that director so wishes, except that members who are not members of the Audit Committee may only attend its meetings at the invitation of the Audit Committee.

More detail about the role and activities of these committees is reported under relevant headings below.

All Committee Charters are available on the Company's website at

www.nzog.com/investor-information

PRINCIPLE 3

Instill a culture of acting lawfully, ethically and responsibly

Instill and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

- [ASX Principles and Recommendations]

New Zealand Oil & Gas practices the highest standards of corporate governance and aspires to continuous improvement in its governance performance.

The board has adopted the following overarching governance objectives:

- Lay solid foundations for management and oversight.
- Achieve high standards of transparency and ethical and responsible decision-making.
- Structure itself to add value.
- Make timely and balanced disclosure.
- Respect the rights of its shareholders.
- Safeguard integrity in its financial reporting.
- Recognise and manage risks.
- Encourage enhanced performance.
- Promote a corporate culture that upholds agreed Company values.

The Company's values are displayed in the graphic on the inside front cover of this report.

Code of Business Conduct and Ethics

The Company's Code of Business Conduct and Ethics sets out values and ethics expected of the Company's directors, management, employees and contractors.

The Company strives to create a strong culture of honesty, integrity, loyalty, fairness, forthrightness and ethical behaviour.

- Company representatives are required to:

- Act with high standards of honesty, integrity, fairness, and equity in all aspects of their involvement with the Company;
- Comply fully with the content and spirit of all laws and regulations governing the Company's operations, business environment, and employment practices;
- Not knowingly participate in illegal or unethical activity;
- Actively promote compliance with laws, rules, regulations, and the Company's Code of Business Conduct and Ethics; and
- Not do anything that would be likely to negatively affect the Company's reputation.

The Code addresses in detail issues such as:

- Conflicts of interest and corporate opportunities;
- Protection and proper use of Company assets;
- Confidential and proprietary information;
- Intellectual property;
- Competition and fair dealing;
- Business entertainment and gifts;
- Anti-bribery and corruption;
- Cash koha;
- Insider trading or tipping; and
- Reporting Code violations.

The Code requires the board to be informed of any material breaches.

The Code of Business Conduct and Ethics is available in the corporate governance section of the Company's website at

www.nzog.com/dmsdocument/487



Protected Disclosures

The Company has a Protected Disclosures [Whistleblower] Policy that provides a procedure for employees and contractors to raise concerns or make disclosures about what they observe happening at work.

The purpose is to facilitate disclosure and investigation of serious wrongdoing. It provides a mechanism for concerns being raised and dealt with at an early stage and in an appropriate manner. The person making the report is protected from any adverse consequences where the concern is raised in good faith. The board is to be informed of any material incidents reported under this policy.

The protected Disclosures [Whistleblower] Policy is available in the corporate governance section of the Company's website at

www.nzog.com/dmsdocument/495

Anti-bribery and Corruption

The Company's anti-bribery and corruption policies are included as specific items within the Code of Business Conduct and Ethics.

The Code of Business Conduct and Ethics is available in the corporate governance section of the Company's website at

www.nzog.com/dmsdocument/487

PRINCIPLE 4

Safeguard the integrity of corporate reports

Have appropriate processes to verify the integrity of corporate reports.

- [ASX Principles and Recommendations]

The Chief Executive and CFO provide the Board with a letter affirming that, in their opinion, the financial records have been properly maintained, that the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance, and that they form their opinion on the basis of appropriate and effective controls.

Senior management review quarterly activity reports, cash flow reports and other formal reports to verify and confirm content.

The Managing Director, CFO and General Counsel approve reports prior to being circulated to the full Board for approval ahead of public release.

Audit Committee

The Audit Committee, together with the Chief Executive, is responsible to the Board for overseeing the financial and internal controls, financial reporting and audit practices of the Company.

The chair of the Audit Committee also oversees and authorises any trading in securities by directors, employees or contractors. Restrictions on trading are outlined in the Securities Trading Policy and Guidelines for Directors, and in the Securities Trading Policy and Guidelines for Employees and Dedicated Contractors.

In practice the Committee considers:

- Corporate reporting and internal controls,
- Whether financial statements reflect their understanding of the financial position and performance of the Company and otherwise provide a true and fair view,

- The appropriateness of the accounting judgements and choices exercised by management in preparing the financial statements,
- The appointment of the external auditor and rotation of the audit engagement partner;
- The fees payable to the auditor for audit and non-audit work,
- The scope and adequacy of the external audit, and
- The independence and performance of the external auditor.

Audit Committee Composition

Alastair McGregor, Dr Rosalind Archer and Rod Ritchie comprise the Audit Committee. As Dr Archer and Mr Ritchie are independent, a majority of members of the audit committee are independent and none are executive directors.

The chair of the audit committee, Mr McGregor, is not the chair of the Board. Mr McGregor is not an independent director, which reflects the composition of the Board.

Mr McGregor has a financial background. Dr Archer and Mr Ritchie have gathered considerable experience about the company's financial affairs through their service on the Board and on the Audit Committee. Further information about the skills and qualifications of the committee members are set out in the biography page [see pages 27 & 28].

The Committee met twice during the year by video conference, and all members attended both meetings.

The chair of the Board, directors, the chief executive and other staff may be invited by the Audit Committee to attend meetings of the Committee.

The Audit Committee Charter is available here

 www.nzog.com/dmsdocument/372



The Audit Committee can meet with the external auditors and senior management in separate sessions. An annual process considers engagement of auditors, having regard to the auditors' independence and policies for rotation of partners.

The Company does not have an internal audit function, as the scale and complexity of the business and the nature of its financial management does not currently require it.

The Audit Committee Charter is available here

www.nzog.com/dmsdocument/372

The Securities Trading Policy and Guidelines for Employees and Contractors is available on the Company's website here

www.nzog.com/dmsdocument/download/497

The Securities Trading Policy and Guidelines for Directors is available here

www.nzog.com/dmsdocument/download/496

PRINCIPLE 5

Make timely and balanced disclosure

Make timely and balanced disclosure of all matters that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

- [ASX Principles and Recommendations]

New Zealand Oil & Gas complies with Listing Rule 3.1, which requires a listed entity, subject to certain exceptions, to disclose to ASX immediately any information that a reasonable person would expect to have a material effect on the price or value of its securities.

The Board receives advance copies of all material announcements.

New presentations are released to both market platforms, ASX and NZX, ahead of the presentation, and promptly posted to the Company website.

Continuous Disclosure

The company releases to markets, promptly and without delay, information that a reasonable person would expect to have a material effect on the price of its securities. The only exceptions to this disclosure principle are those permitted under the Listing Rules.

The board is responsible for monitoring commitments and continuous disclosure obligations and initiating action as warranted to ensure reporting is fair and reasonable.

The Company has a Communications, Market Disclosure and Social Media Policy. Its purpose is to:

- Reinforce the Company's commitment to the continuous disclosure obligations imposed by law and stock exchange rules,
- Describe the processes to ensure compliance,
- Outline the Company's general communications approach aimed at ensuring timely and accurate information is provided to shareholders, market participants and market observers, and
- Provide ground rules for the use of social media.

Non-Financial Reporting

The Company publishes a Sustainability Report.

Sustainability reporting includes material exposure to environmental, economic and social sustainability risks and other key risks. It explains how the Company manages those risks and how operational or non-financial targets are measured.

Components of sustainability reported include:

- A summary of the Company's values;
- Taskforce on Climate-Related Finance Disclosures (TCFD), including Governance of climate risk, Company policies and the Company's climate change statement;
- Sustainability and climate risk strategy and risk management and corporate responsibility strategy;
- Diversity Statement, performance metrics and targets;
- A summary of the Company's approach to stakeholder engagement,
- Summary of the Company's contribution to local communities;
- A materiality matrix; and
- Relationship between business strategy and the UN's Sustainable Development Goals.

A copy of the 2023 Sustainability Report is available on the Company's website, here



www.nzog.com/dmsdocument/download/670



Non-Financial Reporting Continued.

The Company publishes a Sustainability Report.

Sustainability reporting includes material exposure to environmental, economic and social sustainability risks and other key risks. It explains how the Company manages those risks and how operational or non-financial targets are measured.

Components of sustainability reported include:

- A summary of the Company's values;
- Taskforce on Climate-Related Finance Disclosures (TCFD), including Governance of climate risk, Company policies and the Company's climate change statement;
- Sustainability and climate risk strategy and risk management and corporate responsibility strategy;
- Diversity Statement, performance metrics and targets;
- A summary of the Company's approach to stakeholder engagement,
- Summary of the Company's contribution to local communities;
- A materiality matrix; and
- Relationship between business strategy and the UN's Sustainable Development Goals.

A copy of the 2023 Sustainability Report is available on the Company's website, [here](#)




www.nzog.com/dmsdocument/download/670

Waivers

The Company has one ASX waiver which allows it to provide announcement simultaneously to both the ASX and the NZX. Details below.

Rule Number	15.7
Date	19/06/2022
ASX Code	NZO
Listed Company	NEW ZEALAND OIL & GAS LIMITED
Waiver Number	WLC220102-001
Decision	Based solely on the information provided, ASX Limited ['ASX'] grants New Zealand Oil & Gas Limited [the 'Company'] a waiver from Listing Rule 15.7 to the extent necessary to permit the Company to provide announcements simultaneously to both ASX and the NZX.
Basis For Decision	<p>Underlying Policy</p> <p>An entity must not release information that is for release to the market to any person until it has given the information to ASX and received an acknowledgement that ASX has released the information to the market. This ensures that all investors have equal access to the information.</p> <p>The Company has not made any formal submissions in relation to its request for waivers from Listing Rules 15.7 other than to note that these waivers have been commonly granted to NZ Foreign Exempt Entities when they transition to a full ASX Listing.</p> <p>Present Application</p> <p>The Company is a New Zealand incorporated entity and is listed on NZX. A difference in time zones means that trading on NZX commences approximately two hours prior to market open on ASX. There is also a period of overlap during which the Company may be required, under both the NZX and ASX Listing Rules, to lodge information immediately with each of the exchanges. Both of these scenarios could result in the Company releasing information to NZX before it has received an acknowledgement of release from ASX. The waiver permits the Company to give information simultaneously to NZX and ASX. It is not considered that the simultaneous lodgement of information with an overseas stock exchange by a dual listed entity would infringe the policy principle of equal access to information. Lodging announcements simultaneously with ASX and NZX does not infringe the policy rationale behind the rule. The problem encountered by the Company until such time that it delists on NZX, which prevents it from complying with listing rule 15.7.1, is that during trading hours on NZX, the Company will not be permitted to wait for confirmation from ASX that the announcement has been released on ASX before giving it to NZX.</p>

The Communications, Market and Social Media Disclosure Policy is available in the corporate governance section of the Company's website at

 www.nzog.com/dmsdocument/488

Respect the rights of security holders

Provide security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively

- [ASX Principles and Recommendations]

Shareholder Participation

The Company communicates openly with investors with the aim of growing understanding about the business, its activities and plans, governance, financial performance and prospects.

The Company encourages shareholder participation at the annual meeting by inviting questions in advance and discussion from the floor. Meeting agendas and supporting documents such as presentations are posted on the Company's website.

It makes directors and management available at annual meetings and provides and opportunity for conversation about the Company. Investor queries to the Company by phone and email are answered promptly by senior managers. For major Company events, management and directors reach out to larger minority holders to discuss issues and concerns.

The Company encourages participation in annual meetings. It holds meetings online as well as in person and provides extensive opportunities before and during meetings for questions, discussion and engagement. Questions may be submitted in advance by shareholders not present and answers are made available on the webcast recording on the website. Shareholders continue to avail these opportunities.

The Notice of Annual Meeting of Shareholders is posted when it is available and at least 20 working days prior to the meeting.

Shareholders can directly message the Company at any time through the website and management aims to respond promptly. The Company makes available key staff and directors to answer questions about major initiatives. The chief executive actively contacts shareholders who seek to engage.

Shareholders have the right to vote on major decisions that change the nature of the company's activities. All shares participate equally with other shares on the basis of one share, one vote. There are no special voting rights attached

to any stock. Voting is conducted by poll, not by show of hands, as recommended by shareholders' associations.

The Company accepts the principle of one share-one vote in the listing rules and agrees that a show of hands is inconsistent with this principle. The Company holds ballots with scrutineers present on all votes at all meetings.

The Company's offices and shareholder meetings are wheelchair accessible.

Website

The Company maintains a website, nzog.com, where comprehensive information is presented about its activities, governance and financial performance.

Shareholders and interested parties can subscribe via the website to receive notice of the Company's market announcements by email.

The dedicated investor relations section of the website makes available share price information, detail about shareholdings, statutory reports, corporate governance information, and market updates about the Company's activities.

The corporate governance landing page presents all relevant corporate governance documents, including policies, charters, and the constitution.

The Investors section provides links to:

- News, market announcements, and investor briefings;
- Policies, charters and other corporate governance documentation;
- Periodic reports, including annual and quarterly reports and sustainability reporting;
- Information about annual and special meetings, including notices of meeting, voting cards, CEO and Chair's addresses, results and webcasts, including historical records of past meetings;

- Shareholder information including the distribution of listed holdings, information about past dividends and a share price graph.

Recent reports are typically linked from the most prominent panel of the front page of the website.


The website provides detailed descriptions of current activities;

- Production and financial data
- The names, photographs and brief biographical information for each directors and senior executive;
- A statement of values;
- Sustainability and corporate responsibility information;
- Investor relations materials.

The corporate governance landing page is at

 www.nzog.com/corporate-governance/

Investor information is available at

 www.nzog.com/investor-information/

Registry

The Company shifted registry management to Computershare Australia [from New Zealand] following its Annual Meeting of Shareholders in November 2022.

Any shareholder may receive all communications from New Zealand Oil & Gas and from the registry in electronic form. Contact Computershare to make arrangements:

Australia

Computershare Investor Services Pty Ltd
GPO Box 3329 Melbourne, VIC 8060 Australia

Freephone: 1 800 501 366 [within Australia]

Telephone: +61 3 9415 4083

Facsimile: +61 3 9473 2500

Email: Web.Queries@computershare.com.au

Website: www.computershare.com.au

New Zealand

Computershare Investor Services Ltd
Level 2, 159 Hurstmere Road Takapuna, Private Bag 92119
Auckland, New Zealand

Telephone: +64 9 488 8777

Freephone: 0800 467 335

Facsimile: +64 9 488 8787

Email: enquiry@computershare.co.nz

www.investorcentre.com

Update your details here

 www.computershare.com.au/easyupdate/NZO

PRINCIPLE 7

Recognise and manage risk

Establish a sound risk management framework and periodically review the effectiveness of that framework.

- [ASX Principles and Recommendations]

The board allocates oversight of risk management in relation to health, safety and environment and company operations to the Operational Risk and Sustainability Committee and oversight in relation to accounting standards and principles, financial statement compliance and reliability and the audit process to the Audit Committee.

Operational Risk and Sustainability Committee

The Operational Risk and Sustainability Committee is chaired by Rod Ritchie, who is independent. The other members are Dr Rosalind Archer, Andrew Jefferies, and Alastair McGregor.

The Committee met two times during the year by video conference, and all members were present for each meeting.

The Operational Risk and Sustainability Committee's role is to advise and support the board in meeting its responsibilities in relation to health, safety, security, environment, sustainability, operational risk and community engagement matters arising out of the activities and operations of the Group.

The committee's responsibilities include:

- Risk Management Framework: Monitor the performance and effectiveness of, and compliance with, the Company's Risk Management Framework and review the adequacy of risk controls.
- Approve policy and monitor progress: Set, review and agree ORS policies, practices, frameworks and targets, including performance against these, as recommended by management, including but not limited to:
 - Sustainability performance framework, targets and reporting;
 - Community and Iwi engagement;
 - Environmental policies and programmes including Climate
 - Change responses.

- Seek assurance of the Company's compliance with all ORS legislative requirements, licence conditions and stakeholder commitments.
- Support the Board and management in defining the Company's ORS objectives, taking into account legal obligations and industry best practice.
- Work with management to agree how ORS objectives will be achieved, monitored and reviewed.
- Support a culture of continuous improvement by reviewing significant incidents and system failures and monitoring actions and measures to minimise recurrence.
- Ensure the necessary skills are obtained and maintained within the Group to achieve ORS objectives.
- Provide leadership to the Board and support the Company in aspiring to proactively manage ORS issues.
- Ensure that significant issues are brought to the attention of the full Board

Company policies, frameworks and strategies relevant to this Committee:

- Health and Safety Policy
- Environment Policy
- Capturing Local Economic Benefits Policy
- Community Engagement Policy
- HSSE Management Framework and Management System
 - Risk Register
- Risk Management Procedure
- Sustainability Framework
- Climate Change Policy

Read the Operational Risk and Sustainability Committee's charter here

www.nzog.com/dmsdocument/370

Health and Safety

The Company values the wellbeing of employees, contractors and communities in which we operate. It is fully committed to the provision of a safe and healthy environment for all employees, contractors and visitors to New Zealand Oil & Gas sites, and to achieving a health and safety aspiration of 'no one gets hurt' and 'no incidents'.

All employees, contractors and joint venture parties engaged in activities under the Company's operational control are responsible for the application of the Health and Safety Policy.

All employees are responsible for taking all practical steps to avoid harm to themselves or to others in the workplace. They must report any potentially hazardous situations, maintain good housekeeping in all areas and comply with safe work practices and procedures.

The Company's managers are responsible for promoting the Health and Safety Policy in non-operated joint ventures.

Environment


The Company values our natural environment and is committed to responsible management practices that minimise environmental impacts arising from our activities, using soundly-based science as the basis for all of our environmental decisions.

All employees, contractors and joint venturers engaged in activities under the Company's operational control are responsible for applying the Environment Policy. The Company's managers are responsible for promoting the policy in non-operated joint ventures.


Management reviews the risk management framework twice per year and reports to the Operational Risk and Sustainability Committee.

The full Board reviews the risk register annually.

The full Health and Safety Policy is available in the corporate governance section of the Company's website at

 www.nzog.com/dmsdocument/492

The full Environment Policy is available in the corporate governance section of the Company's website at

 www.nzog.com/dmsdocument/491

Recognising and Managing Risk

The Company has a risk management system framework, which outlines the Company's approach to risk management. It provides a framework for applying consistent and comprehensive risk management practices across all functional areas of the business.

A central Company risk register, which considers the risks, reviews the controls, assigns ownership of a risk and tracks treatment plans, is maintained. Risk assurance is provided through a prioritised programme of audits and internal review.

The board's accountabilities include:

- Overseeing the effectiveness of the risk management system framework,
- Monitoring compliance, and
- Approving policies and systems for the ongoing identification and management of risks.

The board's responsibilities include:

- Approving the Company's risk capacity and appetite,
- Reviewing material risks, and
- Reviewing the risk register.

Responsibility for identifying, documenting and managing risks and opportunities is delegated to the appropriate level of management. The Chief Executive is responsible for such things as integrating risk management into core business processes, managing the Company's corporate strategic risks and opportunities, and regularly reviewing the Company's risk profile. The Chief Executive has ultimate responsibility to the board for design, development and improvement of the risk management framework system and maintains the Company's risk register.

The Company does not have an internal risk function.

The process employed for evaluating and improving the effectiveness of risk management and internal control processes is:

- Risks are formally reviewed by risk owners;
- Management regularly reviews the risk register to ensure adherence and continuous improvement;
- The ORS Committee regularly reviews the risk register, with a particular emphasis on reducing key risks to as low as reasonably practicable;

- For specific operational activities [including seismic acquisition campaigns], the board reviews the intended operational activity against activities related to elements of the Company's HSSE management framework to ensure a compliant work programme, achieving desired objectives safely; and
- After-action reviews of an operational phase of a project are undertaken by the HSSE Advisor and project team, to identify improvement in control processes. The after-action review is then reviewed by the ORS Committee.

The ORS Committee reviews specific risks at each meeting of the committee and, at least annually, reviews the risk register and framework document to satisfy itself that the system continues to be sound.

The process employed for evaluating and improving the effectiveness of risk management and internal control processes is:

- Risks are formally reviewed by risk owners;
- Management regularly reviews the risk register to ensure adherence and continuous improvement;
- The ORS Committee regularly reviews the risk register, with a particular emphasis on reducing key risks to as low as reasonably practicable;
- For specific operational activities [including seismic acquisition campaigns], the board reviews the intended operational activity against activities related to elements of the Company's HSSE management framework to ensure a compliant work programme, achieving desired objectives safely; and
- After-action reviews of an operational phase of a project are undertaken by the HSSE Advisor and project team, to identify improvement in control processes. The after-action review is then reviewed by the ORS Committee.

The ORS Committee reviews specific risks at each meeting of the committee and, at least annually, reviews the risk register and framework document to satisfy itself that the system continues to be sound.

The Risk Management System Framework is available in the corporate governance section of the Company's website at

 www.nzog.com/dmsdocument/1

TCFD Risk Disclosure

Taskforce on Climate-Related Financial Disclosure risks, and the framework for managing climate risks, are comprehensively reported in the Sustainability Report.

TCFD reporting is also maintained on our Company website.



A copy of the 2023 Sustainability Report is available on the Company's website, here:

www.nzog.com/dmsdocument/download/670

Climate risk management

How we identify, assess and manage climate-related risks

The Company's Risk Management System Framework applies consistent and comprehensive risk management practices.

Climate risks are recorded in the central risk register, which considers the risks, reviews the controls, assigns ownership of risk and tracks treatment plans.

Climate risks are identified on an ongoing basis and consideration is given to industry and peer information and expertise, shareholder and community feedback, regulatory changes, and analysis by our own staff and contractors.

Risk assurance and oversight of climate risk management is provided through internal review by the board Operation Risk and Sustainability committee.

How we model Climate Risk

Kupe, New Zealand

For our New Zealand Kupe asset, New Zealand Oil & Gas uses the New Zealand ETS market pricing for carbon emissions.

The Company has sufficient forward emissions credits for future demand. As these were purchased at much lower carbon prices, the emissions trading system carbon costs represent a positive opportunity for competitive advantage.

For physical risks to the Kupe offshore platform, onshore coastal processing plant and connecting pipeline, the Company carries insurance and equipment is engineered to standards well in excess of expected weather activity.

Amadeus Basin, Australia

For physical risks to our Amadeus Basin interests, the Company has comprehensive insurance to cover physical risk. The risks associated with climate are assessed in engineering planning. For forward price risk associated with production, the Company uses impairment testing based on forward market prices and contracts.

The Company uses an internal price to test economics of investments based on market prices in other comparable international regimes. Expectations of forward prices reflect the market consensus on the likelihood and level of future carbon charges and market demand. Potential increased

carbon pricing or reduced prices are part of the Company's sensitivity testing.

Carbon prices have generally conformed to forward curves in the reporting period, while oil and gas commodity prices have been much higher due to concerns about energy security and actual shortages of gas. As a result, the financial risks associated with climate change are assessed to be considerably positive [upside] as of the date of this report.

Perth Basin, Australia

In the acquisition of exploration opportunities in Western Australia, the Company used a shadow carbon price to test the economics of a discovery during due diligence.

Expectations of forward prices were based on market consensus. Potential increased carbon pricing or reduced prices were also considered as part of the Company's sensitivity testing. Engineering risks will be assessed in the FEED (Front End Engineering Design) process following any new discovery.

Assets held by Cue


For assets held by its subsidiary, Cue Energy Resources, in New Zealand and Indonesia, risks are modelled by Cue, and the Cue board manages the risk for those assets. The risk model is broadly similar to the one used by New Zealand Oil & Gas to manage assets held directly.

Climate risk, drilling and discovering new resources

The risks associated with drilling and operating new oil and gas wells are managed by the field operator. New Zealand Oil & Gas does not operate any exploration or production site. The Company exercises active oversight of operator health, safety and environment risks and manage these through its risk management framework.

Oil and gas are fossil fuels that produce climate changing emissions. Our Statement on Climate Change can be read in our Sustainability Report. We target gas production in Australia, New Zealand and Indonesia, and evidence is clear that our production provides energy security and substitutes for much higher emitting alternatives. New discoveries do not materially alter demand for oil and gas products and so any production needs to be measured against the alternative energy source.

The Climate Change Policy is available here

 www.nzog.com/dmsdocument/download/493

Risk Assessment

The table uses the following time horizon categories: Short [S]: 0–5 years, Medium [M] 5–10 years, Long [L] 10+ years.

Risk type	Description	Time	Control
Non physical risks Policy and legal risks	Litigation against companies and/or directors on climate grounds (claiming causation or seeking greater action to mitigate effects) could have reputational, development and operating cost impacts. Changing regulations including bans and restrictive regulations, taxes and emissions limits across all jurisdictions risk viability of projects.	S M L	Board and management understand their fiduciary duties around climate change risk. Internal processes, including due diligence and joint venture processes, identify and manage climate risk. Monitor jurisdictions where we undertake activities. Look to diversify jurisdictions to mitigate changes to any individual regulatory environment. Participate in New Zealand's environmental regulation framework through reputable industry advocacy bodies, including Energy Resources Aotearoa, Business New Zealand and the Business Energy Council. Develop evidence for the role of natural gas in a net carbon-zero future.
Reputational and social license risks	Stakeholder disengagement and oppositional activism. Loss of social license, leading to project delays or stoppages. Recruitment and retention risk. Risk of partner misalignment from divergent approaches to carbon management.	S M L	Manage environmental performance through sustainability framework. Promote corporate values, including our pride in our work. Due diligence screening of commercial opportunities and joint ventures.
Financial risks	Divestment movement increases, affecting availability and cost of capital. Insurance premiums increase. Potential for classes of assets and locations to become uninsurable. Capital cost increases if new environmental standards require more expensive supplies relative to alternatives. Carbon pricing adopted across jurisdictions, or inconsistently between them. Changes to price and cost forecasts result in stranded assets or reserves.	S M L S M L M L S M L S M L	Incorporation of a shadow price on carbon in sensitivity testing for investment decisions. Due diligence screening of commercial opportunities and JV processes. Assurance of insurance forecasts. Access to a range of funding options. Reporting on environmental, social, and governance (ESG) matters, including TCFD compliant reporting. Jurisdictional diversification to mitigate the impact of sudden, unilateral changes, confiscation, or value destruction by regulation.
Physical risks Acute & Chronic	Physical assets, especially our coastally-located gas production plant, may be subject to increased frequency and intensity of extreme weather events such as storms, flooding, coastal inundation, lack of water availability, or slips. Offshore drilling and production delayed or shut in by increased weather events.	M L	Engineering anticipates environmental conditions. Carbon policy provides for review of climate issues in strategic and operational decisions.
Opportunities Commercial	Global reduction in high carbon sources such as coal is increasing demand for natural gas as a lower carbon partner to renewables.	S M L	Strategic preference for natural gas. Support for our joint venture partners pursuing low carbon innovations on sites. Ongoing investigation of investment opportunities in lower emission technologies, including carbon capture and storage.
Reputational	Partnering with local communities to support low carbon initiatives.	S M L	Local relationships and discussions about contributing to socially desirable low carbon outcomes.

Remunerate fairly and responsibly

Pay director remuneration sufficient to attract and retain high quality directors and design executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the Company's values and risk appetite.

- [ASX Principles and Recommendations]

Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee comprising Dr Rosalind Archer (Chair), Marco Argentieri, Samuel Kellner, Alastair McGregor and Rod Ritchie.

The Committee charter requires that it comprises at least three non-executive directors of the board. The chair, Dr Archer, is independent.

Principle 2.1 of the ASX Principles and Recommendations recommends that a majority of the nomination committee should be independent directors. A majority of the board is not independent and the composition of the committee also reflects this.

Nomination and Remuneration Committee Member	Meetings attended during the year
Dr Rosalind Archer (Chair)	3
Marco Argentieri	3
Samuel Kellner	3
Alastair McGregor	2
Rod Ritchie	3

The Nomination and Remuneration Committee is responsible to the board for:

Providing recommendations to the board in relation to the director selection and appointment practices of the Company;

- Evaluation and remuneration of directors and board succession;
- Chief Executive remuneration, appointment, performance criteria and review;

- Reviewing and providing recommendations to the board in relation to:
 - Senior executive and key staff succession plans;
 - The Company's remuneration, recruitment, retention and termination policies and procedures for all employees;
 - Implementing the Company's Diversity Policy and achieving any associated measurable objectives; and
 - Other relevant matters identified from time to time by the board.

Remuneration and Performance Appraisal

The Company aims to attract, retain and motivate professional staff capable of achieving the goals of the Company.

To achieve this, the Company wants to encourage and reward its staff fairly and appropriately within the market to reflect performance and contribution.

The Remuneration Policy sets out a process to assess the competitiveness of remuneration.

The Nomination and Remuneration Committee makes recommendations on remuneration policies for the chief executive and senior managers based on assessment of relevant market conditions and linking remuneration to the Company's financial and operational performance and individual performance.

Executive remuneration may comprise salary, short-term incentive payments and share options.

Read the Committee's Charter here

www.nzog.com/dmsdocument/373

Short Term Incentive

Officers of the Company may receive payments under a short term incentive scheme.

40% of the STI is based on company performance, 30% is Board discretion, and 30% on personal performance. 45% of the personal performance component is assessed on behaviours aligned with Company values, 10% on HSE performance, and 45% on the personal performance criteria agreed at the start of the financial year between the Chief Executive and the respective officers.

In 2021-22 the company factors affecting short term incentive payments were:

Acquisitions	Board approval to make binding offer on two opportunities, execution of one sales and purchase agreement, completion of two deals.
Group Strategy	Execute board-agreed group strategy.
Funding gap	Develop and execute funding strategy to close cash flow gap.
Overheads	Not exceeding budgeted overheads. Emphasis on achievement of meaningful cost reduction initiatives.
Reserves replacement	2P reserves replacement.
HSSE	Sustainability targets met, influence of process safety with operating JV partners, HSSE review of CTP operations.
Corporate discretion	Awarded on overall company performance, share price performance and oil and gas market conditions

In the reporting period the Company has determined that the overall business performance outcome was 81%.

Director's Remuneration

At the 2008 Company Annual Meeting, shareholders approved a resolution that director's fees be set at a maximum of \$600,000 per annum, being the combined total for all non-executive directors. There has been no increase in the fee level since 2008 and in March 2016 the board and directors volunteered a reduction in their fees.

OGOG representative directors have not yet drawn any fees for their services.

Directors do not receive any performance-based remuneration. Mr Jefferies does not receive fees because he is the Chief Executive.

The total remuneration and other benefits to directors for services in all capacities during the year ended 30 June 2022 was:

Dr R Archer	\$77,599
Mr M Argentieri	
Mr A Jefferies	\$1,020,736*
Mr S Kellner	
Mr A McGregor	
Mr R Ritchie	\$ 77,599

* Includes remuneration received as Chief Executive

CEO Salary

Salary Paid	\$684,772
Benefits	\$51,485
Cash STI ¹	\$220,301
LTI share options ²	\$64,178
Total	\$1,020,736

[1] STI for current period, paid August 2023

[2] LTI share options issued during the year 502,730. Total held 1,801,258

Options to acquire ordinary shares are issued in accordance with Scheme Rules, which are available here



www.nzog.com/dmsdocument/480-nzog-share-option-scheme-rules-pdf



Staff Salary Bands

\$100,000 - \$110,000	1
\$110,000 - \$120,000	3
\$150,000 - \$160,000	1
\$160,000 - \$170,000	2
\$170,000 - \$180,000	1
\$190,000 - \$200,000	1
\$200,000 - \$210,000	1
\$220,000 - \$230,000	1
\$230,000 - \$240,000	1
\$320,000 - \$330,000	1
\$390,000 - \$400,000	2
\$460,000 - \$470,000	1
\$470,000 - \$480,000	1
\$620,000 - \$630,000	1
\$1,020,000 - \$1,030,000	1
	19

Securities Trading Policies

The Company's Securities Trading Policies set out procedures about when and how an employee, dedicated contractor or director can deal in Company securities.

These policies are consistent with New Zealand's Financial Markets Conduct Act 2013 and its insider trading procedures, and they comply with ASX and NZX listing rules.

The board ensures that these policies are up-to-date and compliant at all times with changes to the law and to listing rules.

The Securities Trading Policies are available on the Company's website at



For directors: www.nzog.com/dmsdocument/496

For employees and contractors www.nzog.com/dmsdocument/497

Proudly Rainbow Inclusive

New Zealand Oil & Gas is proud to earn a Rainbow Tick and be a leader in our industry in accepting and valuing people in the workplace, embracing the diversity of sexual and gender identities.

The Tick certification process tests whether a workplace understands and welcomes sexual and gender diversity. The process involves an on-going quality improvement process.

Rainbow refers to people who identify as lesbian, gay, bisexual, transgender, takatāpui and intersex [LGBTQTIA+].



Diversity Statement

The Company is committed to an inclusive workplace that embraces diversity.

The Company values, respects and leverages the unique contributions of people with diverse backgrounds, experiences and perspectives.

The Company recognises diversity is about commitment to equality and treating all individuals with respect, and includes, but is not limited to, gender, age, disability, ethnicity, marital or family status, religion, sexual orientation, gender identity or expression, and cultural background.

The Company commits to recruiting from a diverse pool of candidates, who will be considered with no conscious or unconscious bias that might discriminate against certain candidates.


The Company's employment practices and policies take into account the domestic responsibilities of employees and adopts flexible work practices. Examples of these are set out below, under Diversity Performance Metrics.

The Company supports the determination of self-identity by all employees including using the titles, names and pronouns of their choice. We seek advice from external organisations to appropriately support staff.

The board establishes measurable objectives for achieving gender diversity. The board may establish measurable objectives for other aspects of diversity, and assesses regularly both the set objectives and the progress in achieving them.

The Nomination and Remuneration Committee makes an annual assessment of success in achieving and implementing the policy and the set objectives, then reports to the board with recommendations.

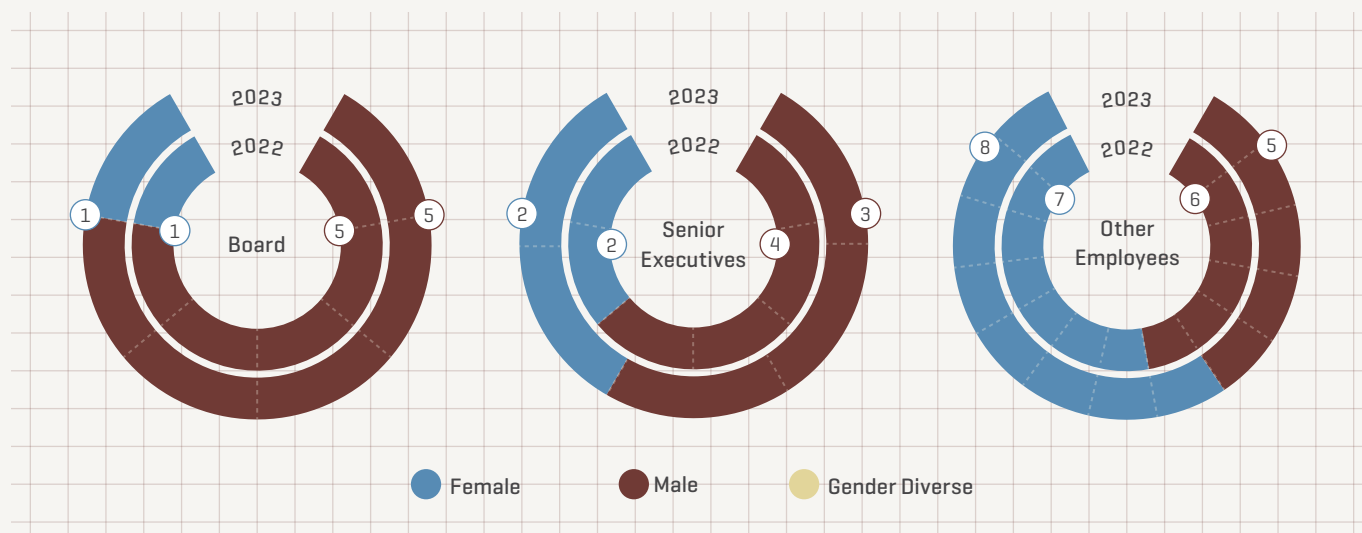
Our Diversity Policy is at

 www.nzog.com/dmsdocument/download/490

Diversity Performance Metrics

Diversity Performance 2022-23

The following charts show gender diversity across the company (excluding contractors) as at 30 June 2023, and compares that to numbers as at 30 June 2022.



Compliance with the Diversity Policy

With respect to the provision of the diversity policy, the board has determined that the Company has complied with the policy.

Objective	Status	Progress
Promote ongoing engagement with diversity initiatives, policies and guidelines to ensure they are continuing to evolve as needed	Achieved	<p>We have set up the Te Ata initiative to support and nurture the well-being of our team, which includes coaching, training, upskilling, resilience training, "conversations that matter" training, and a monthly book club. The Company was recognised with a wellbeing award by Vitae in appreciation of the Te Ata initiative.</p> <p>The CEO has committed to having lunch with every staff member to ensure that they are receiving appropriate opportunities for development and to understand how they feel about the organisation's performance. We have reviewed our policies to ensure that they do not impede our ability to maintain a diverse workplace. We have also created a flexible working guideline that complements our family-friendly and diversity policies [which can be found on our website]. Candidates have given positive feedback about these initiatives when we have recruited new team members.</p>
Providing talent management support for diverse and emerging leaders.	Completed and ongoing	<p>The Diversity Committee maintains a cultural calendar that celebrates events of cultural significance to our people, and we have integrated them into all staff gatherings and events.</p> <p>The Company participates in Diversity Works, offering staff opportunities to attend workshops, webinars, and networking events.</p> <p>Job descriptions for leadership roles in the Company have been reviewed, and a job sizing activity is underway to determine appropriate benchmarks for resource allocation and equitable remuneration.</p>
Retain Rainbow Tick	Achieved	Review for re-accreditation is required and the Company was re-accredited.

Diversity Performance Targets for 2023-24

- Promote ongoing engagement with diversity initiatives, policies and guidelines to ensure they are evolving appropriately.
- Provide talent management support for diverse and emerging leaders.
- During any relevant board selection process, ensure at least one credible and suitably experienced female candidate is provided for consideration.
- Retain Rainbow Tick.





Sustainable Energy Security

2023 New Zealand Oil & Gas Ltd
Sustainability Report



**NEW ZEALAND
OIL & GAS**

Management commentary
(no financial statements)

Sustainability Highlights

EMISSIONS INTENSITY

Emissions intensity reduced by 10.8% from 6.23 to 5.56 tCO₂e per TJ produced.

TREES THAT COUNT

555 trees planted in 2023

545 in 2022

5,114 trees since 2019

Which will help to remove about 1,164 tonnes of carbon.

WELLBEING

Wellbeing award for Te Ata initiative, which provides for supporting and nurturing the wellbeing of the whole team including coaching opportunities, training/upskilling opportunities, resilience training, and more.

HELPING VULNERABLE FAMILIES WITH ENERGY AND SUSTAINABLE LIVING

Support for Dunedin Curtain Bank helped 140 homes in Dunedin with quality curtains, saving 8.4 tonnes of CO₂, and on average saving each home \$170 a year for a total of more than \$23,000 a year in savings for needy families.

SUPPORTING SCIENCE EDUCATION

We support world class research at the Salk Institute for Biological Studies into long term CO₂ sequestration via its Harnessing Plants Initiative.

We support students from Wellington and Porirua to take part in the annual EPro8 Challenge, an Inter-School Science and Engineering Competition.



Contents

MESSAGE FROM THE BOARD	4
ABOUT THIS REPORT	6
OUR VALUES	13
SUSTAINABILITY FRAMEWORK	14
MATERIALITY	16
TASKFORCE ON CLIMATE-RELATED FINANCE DISCLOSURES	20
Governance	20
Company Policies	21
Climate Change Statement	22
SUSTAINABILITY & CLIMATE RISK STRATEGY	24
CLIMATE RISK MANAGEMENT	26
Risk Assessment	27
Performance	28
Measurable Objectives	29
Emissions	30
Supporting Trees	32
Supporting Diversity	34
Diversity Statement	34
Diversity Performance Metrics	35
Diversity Performance Targets for 2022-23	36
SDG'S	38
SOCIAL AND COMMUNITY INITIATIVES	44
GRI CONTENT INDEX	48

Message from the Board

In this 2023 Sustainability Report, we set out a summary of the impact we have on our environment and community as well as our reporting of TCFD and Sustainable Development matters



TCFD Risk Disclosure

Taskforce on Climate-Related Financial Disclosure [TCFD] risks and the framework for managing climate risks, are comprehensively reported in this Sustainability Report.

We are proud of what we do at New Zealand Oil & Gas and proud of the way we go about it. Our business exists to provide energy security and affordability for consumers. Across our region, in Australia, New Zealand and Indonesia, consumers are energy hungry. Energy supplies are constrained. Energy costs are relatively high for businesses and households who need energy delivered safely and reliably every day.

Geopolitical uncertainty and the accelerating pace of the energy transition has contributed to higher energy prices. In our markets, this has slowed the pace of investment in traditional energy sources.

As the cost of renewable energy falls and the installed base grows, energy systems become increasingly vulnerable to issues of intermittency. Renewables do not produce steadily and cannot easily vary production in response to demand. Solar and wind present inherent

intermittency issues for electricity grids and businesses needing to steadily power industrial output. Hydro energy can be very good for daily variation and is quick to bring online, but it can be affected by seasonal fluctuations and is constrained by the availability of suitable rivers and lakes. As the world electrifies and transitions to greater reliance on renewable sources of fuel, the problem of intermittency becomes more acute.

Gas is the perfect partner for renewables because it emits less greenhouse gas for each unit of energy than alternative fossil fuels. It is relatively abundant at competitive prices and is efficient compared to decarbonised substitutes. Extensive infrastructure is in place, which in many cases eliminates the need to develop new networks and production facilities.

Because of its profound advantages, we often say gas is a three-letter word for transition. New Zealand Oil & Gas is providing gas to support renewables in its markets in Australia, New Zealand and Indonesia, bolstering the reliability of those energy systems, and insuring supply that is urgently needed by the communities we serve.

In Australia, our production provides crucial backup to a mostly-solar powered electricity system in Alice Springs. Our gas is also piped to the East Coast, where gas supply is exceptionally tight, helping to keep a lid on prices while providing energy that maintains living standards. In New Zealand, our Kupe gas is needed to support an electricity system that will approach 95% renewable in the next five years. In Indonesia, energy from our Cue subsidiary is supporting continued economic development which could not continue in the absence of secure energy at reasonable prices. We are providing this reliable energy in Australia, New Zealand, and Indonesia sustainably, ethically and safely.

New Zealand Oil & Gas's Scope 1 emissions are low, as the main source is our small head office. Our Scope 2 emissions [indirect emissions created by the production of the energy we sell] increased in the past year due to our acquisition of new assets and the related increased production. Emissions intensity, which measures emissions per unit of energy produced, is a more useful comparison across time when production volumes vary [especially, as in our case, when the increase is due to an acquisition]. We are pleased to report that our emissions intensity reduced by over ten per cent last year. In other words, measured on a per unit basis, the energy we produced released ten per cent less CO₂.

As New Zealand Oil & Gas is a non-operator, our approach is to work with our joint venture partners and the asset operators to reduce the carbon impact of operations. We have started a process with asset operators to develop emissions goals tailored to each asset and we aim to have approved asset-level targets in the coming year.

Although we are proud of the contribution we make to reducing emissions in the wider economy, sustainability is about much more than emissions. The wellbeing of our people is also a crucial element. The sustainability framework reflected in this report demonstrates on pages 14-15 how our inputs make tangible contributions to people's daily lives. We assess our impact against the UN's sustainable development goals on pages 38-42, using sustainability reporting guidance developed by the IPIECA¹ [updated to February 2023]. The IPIECA guidance contains a statement from an Independent Stakeholder Panel of experts in sustainability reporting relating to the energy industry. The Panel represents the views of investors, business and industry bodies, environmental and community-oriented NGOs, and multilateral institutions. It calls on companies to improve their management of risks associated with climate change

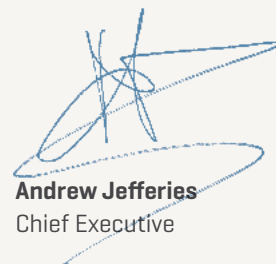
and other ESG issues, and also to report and explain their year-on-year progress with consistent performance metrics.

This sustainability report implements the Panel's advice. Our sustainability journey has been underway for some time and will be an important focus going forward. In the past we have reported sustainability in our annual report. Going forward, we intend to issue a separate sustainability report, which will make accessing this information easier and allow us to meet our reporting obligations more efficiently.

This report should be read in conjunction with our annual report and corporate governance statement, which are available in the reporting section of our website, www.nzog.com. Together they provide investors and other stakeholders with a summary of our business and the associated risks, as well as our perspective on future activities.



Samuel Kellner
Chair



Andrew Jefferies
Chief Executive

¹ IPIECA is the global oil and gas association for advancing environmental and social performance across the energy transition.

Sustainability performance reporting

 <https://www.ipieca.org/work/sustainability/>

About This Report

Scope of this Report

This report outlines sustainability performance of New Zealand Oil & Gas.

Unless otherwise specified, references to “the Company” and “New Zealand Oil & Gas” mean New Zealand Oil & Gas Limited, and exclude Group subsidiaries that publicly report separately, specifically Cue Energy Resources.

New Zealand Oil & Gas does not directly operate any production site. Statements related to individual assets are reported on the basis of the proportion of the Company’s participating equity interest in each asset.

People-related data included in this report refer to employees and contractors directly working for New Zealand Oil & Gas at its Wellington, New Zealand headquarters, and exclude staff employed by joint venture partners in which New Zealand Oil & Gas has an interest. The New Zealand Oil & Gas subsidiary, Cue Energy Resources, publicly reports its own people statistics. Other sustainability data in this report includes Cue where specifically noted. Our Annual Report, and Financial Statements are on a consolidated basis and include Group subsidiaries.

No health or safety incidents have occurred at the New Zealand Oil & Gas operated site, and so no separate Health & Safety data is provided for New Zealand Oil & Gas staff and contractors. However, the Company has an active health, safety, environment and security management system which extends to joint venture operated plant. That system is described in this report.

Our Operations

New Zealand Oil & Gas has interests in:

- Australia in the Amadeus Basin in Northern Territory (exploration and production), and the Perth Basin (exploration), Western Australia.
- Indonesia (production) in Sumatra and East Java, held through our 50.04% subsidiary, Cue Energy Resources.
- New Zealand (production and exploration) in the South Taranaki Basin.

These operations are subject to the environmental approval processes of the respective state and national governments.

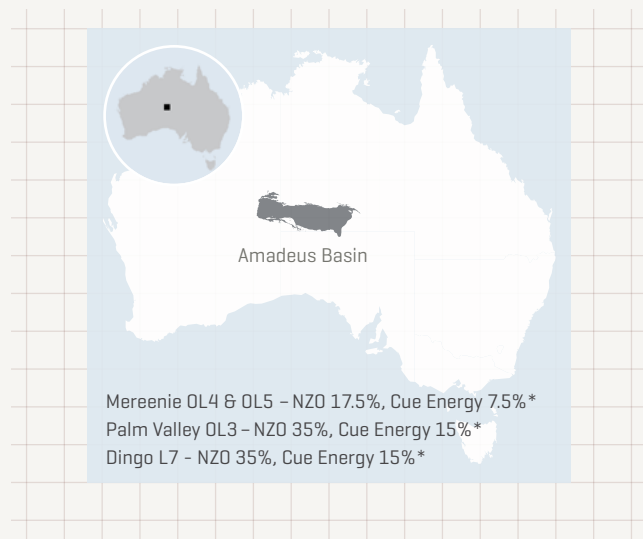
New Zealand Oil & Gas headquarters are in Wellington, New Zealand.



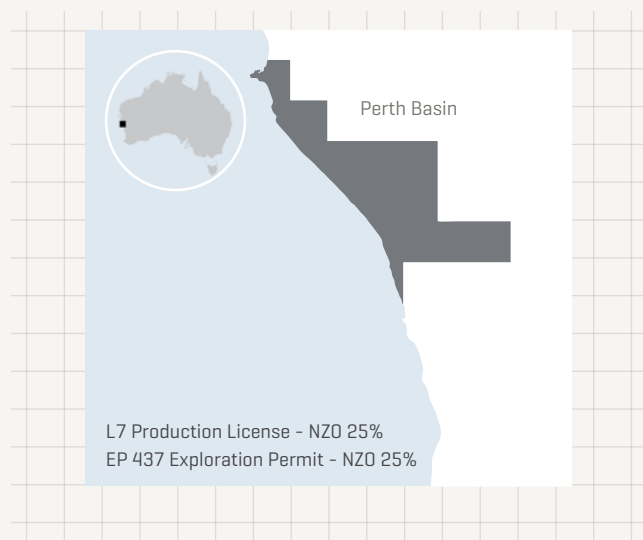
Where We're Active

Australia

Amadeus Basin, Northern Territory

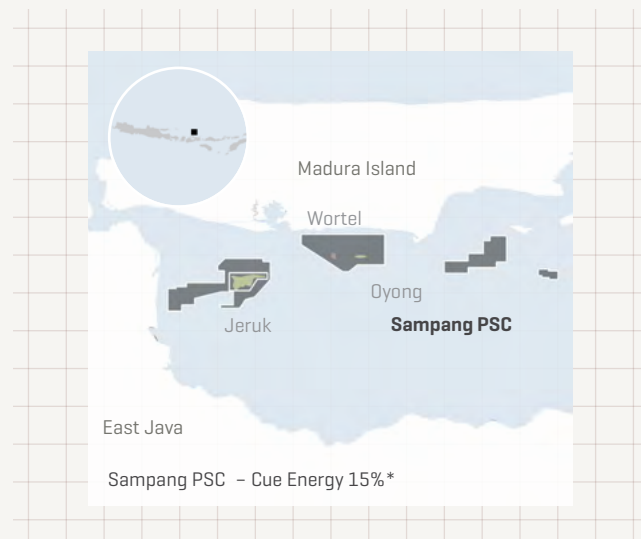


Perth Basin, Western Australia

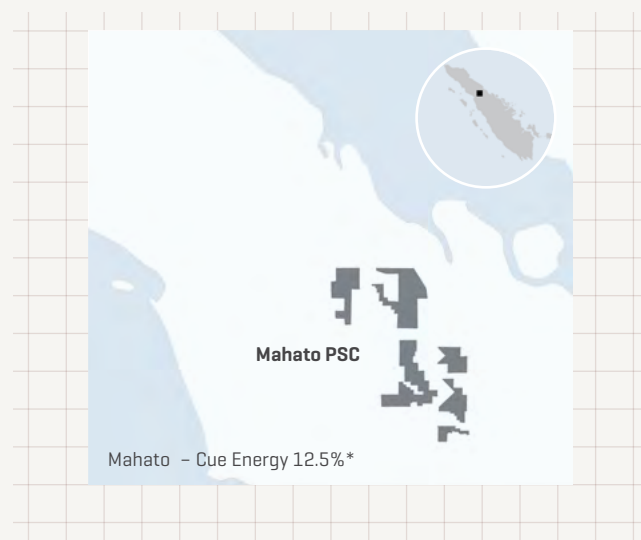


Indonesia

East Java

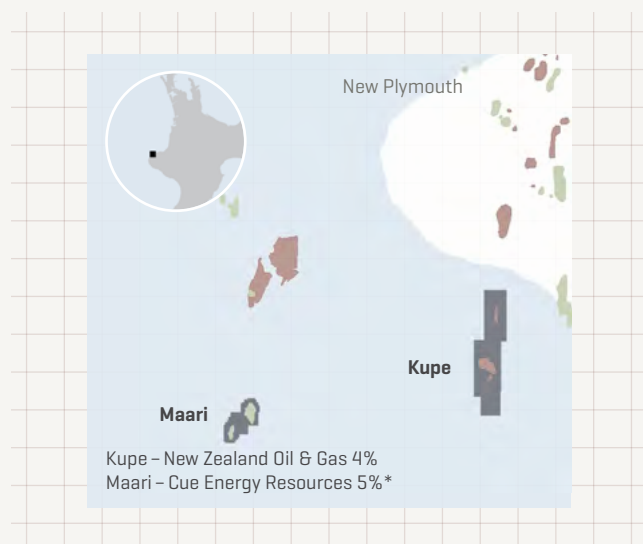


Sumatra



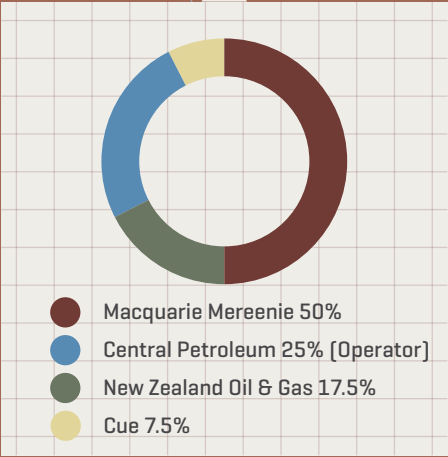
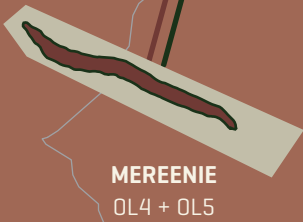
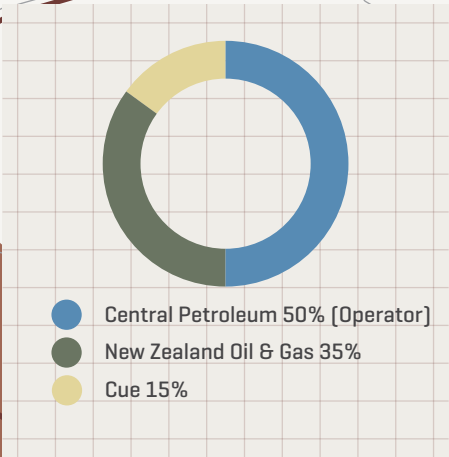
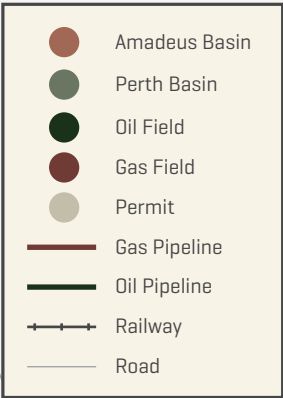
New Zealand

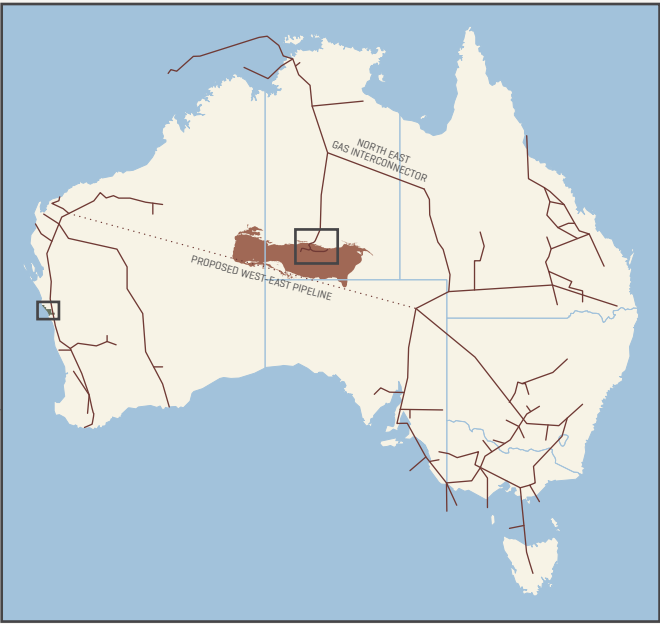
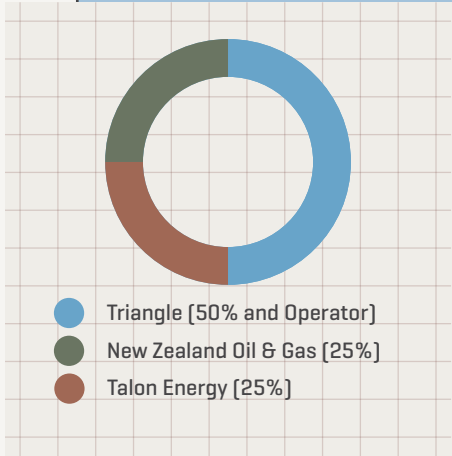
Taranaki



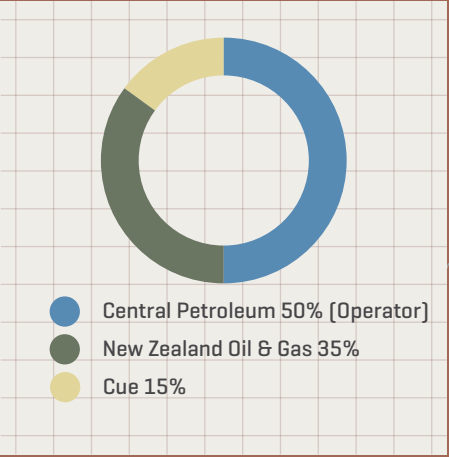
*New Zealand Oil & Gas has a 50.04% interest in Cue.
Cue's full interest is shown.

NZO Production Locations

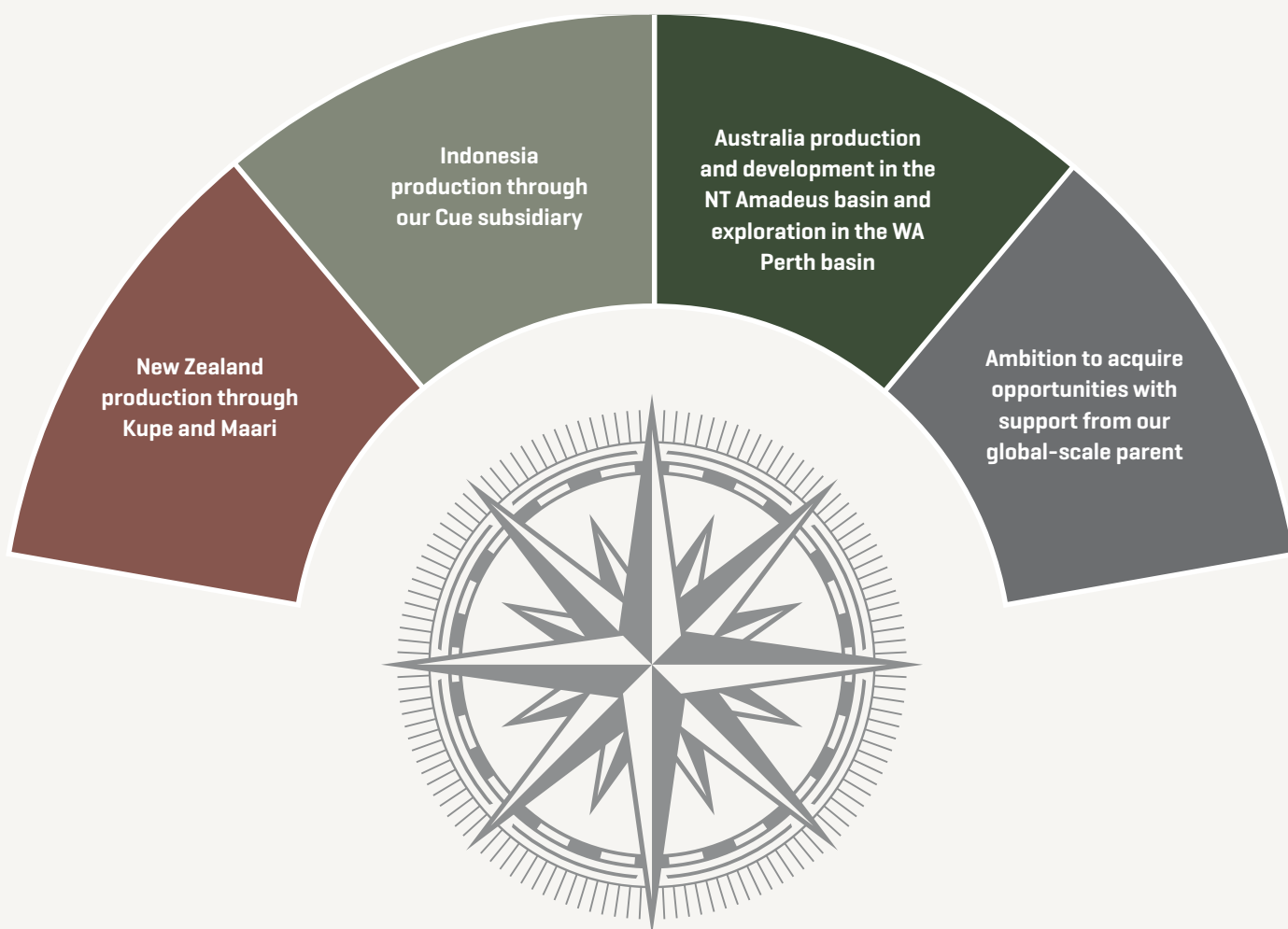




DINGO
L7



Strength today and growth tomorrow



We see natural gas assets providing security of supply to an energy-constrained world as it undergoes a decades-long energy transformation.

Our Values



TIKANGA – The right things the right way

We operate safely, and do what we say we will do.

We display respect and understanding for other people, opinions and cultures.

We respect values, rules and laws.



MAHI TAHI – Work together, collaborate, cooperate, with teamwork

We are open, honest and transparent.

We actively pitch in and help.

We have fun and work with passion.

We put big issues on the table so they can be resolved.

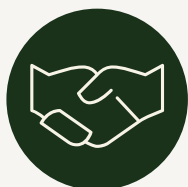


PĀKIKI – Consumed with curiosity

We seek to better understand ourselves, and the world, with the goal of constantly improving.

We explore new areas to add value to our work.

We work with initiative and imagination.



TAUHOKOHOKO – Barter, bargain, trade

We continually seek to add value through the application of skills, brains and hard work.

We develop mutually beneficial relationships with key stakeholders and partners.

We deliver excellent commercial outcomes.

Sustainability Framework

THE CAPITAL WE BRING



FINANCIAL

We use our shareholders' financial capital, prudent financial management and ability to attract investment.



HUMAN

The expertise and skills of our people and our values and behaviours as a company.



RELATIONSHIPS

By being values-led and working ethically, we create value-enriching relationships with our partners, our communities, and regulators.



FIXED ASSET

Our physical infrastructure and assets, mostly owned and operated through joint ventures.



INTELLECTUAL

Our data, models, brand and reputation.



NATURAL

Inputs from the natural world including access to oil and gas reserves, water, land, minerals and materials.

We use our inputs and capital resources to execute reliably, and operate in a way that high-quality people want to work for.

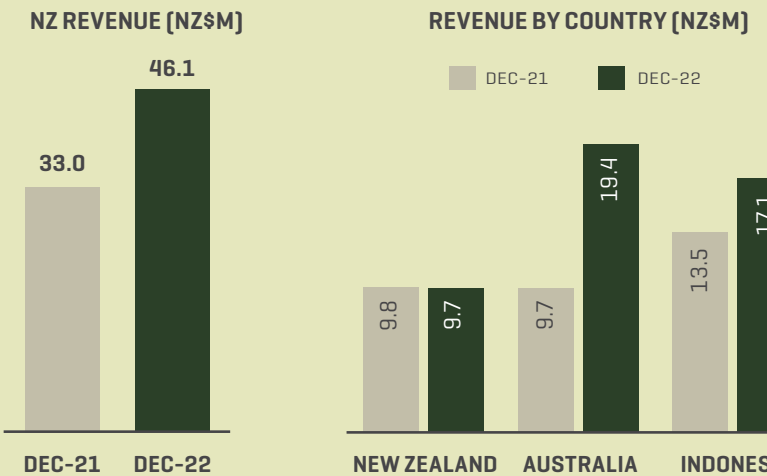
Our team of technical and commercial experts deploy our resources to exploration and production of energy safely, in a way that respects the environment, on successful commercial projects.

We use our skillsets, optimise our processes and generate value from our physical assets.

We support our operating partners, stakeholders, to identify mutually beneficial opportunities.

OUR INPUTS

OUR OUTPUTS



\$40,000
for **COMMUNITY PROJECTS**

5
Tre

s to create opportunities,
that makes us proud, so
to work with us.

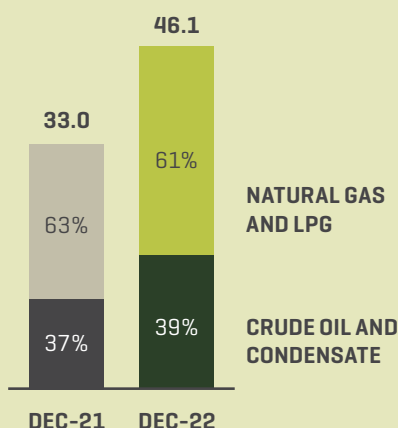
cial experts efficiently
and production to deliver
s communities and our
mmercial terms.

esses, and create value
ssets.

Cue subsidiary, and
ual value add.

WHAT THIS ACHIEVES

PRODUCT MIX (NZ\$M)



5,114
es Planted



ENERGY SECURITY AND AFFORDABILITY

Our energy supports renewable electricity generation and provides security for uses where renewable energy is not yet ready to fully take over. It makes energy more affordable and prices more stable.

UN Sustainable Development Goals (UNSDGs)



- ▶ Leadership through industry, policy and regulatory forums
- ▶ Delivering gas to market, in NZ, Australia and beyond



A CLEAN AND LOWER-CARBON ECONOMY

The gas and light oil we supply bring lower carbon benefits compared to energy supplied in alternative ways. Additionally, they help in the mining of minerals used in wind turbines and solar panels.



- ▶ Reporting commercial and non-commercial value transparently



WEALTH CREATION & PRODUCTIVITY

Our energy helps to produce goods and services society needs to prosper, which can't be produced efficiently without them. We pay royalties and taxes that help to pay for hospitals, schools, roads and other essential services.



- ▶ Delivering commercial value via annual taxes and royalties, job creation, shareholder value



COMMUNITY WELLBEING

We strengthen our environment and community by engaging openly and contributing to science education, tree planting, energy efficiency, and conservation for vulnerable families.



- ▶ Community and Iwi Engagement
- ▶ Community Partnerships and Investment



WORKING TOGETHER

Our working environment is rewarding and a place of belonging where we work together and collaborate with purpose and passion.



- ▶ Proactive diversity and inclusion practices
- ▶ Greater environmental contributions

Materiality

Stakeholder engagement: How materiality was assessed

We engage with shareholders, regulators, our community including directly with Maori, staff, industry organisations and partners, and we monitor public issues.

INVESTORS

Our board periodically holds discussions with larger shareholders. Shareholders regularly interact directly with the managing director, who shares views and perspectives with the Board. A range of tools are used to ensure investors can contact the Company and freely share views and perspectives, including:

- Widely publishing contact details and providing email, website and phone channels to get in touch.
- Open invitation and encouragement to ask questions at Company meetings.
- Direct outreach on significant matters of strategy (e.g. capital structure and acquisitions).

STAFF

The Company surveys staff to measure engagement and attitudes to key issues, including sustainability, health & safety and values. Company-wide meetings are held frequently, at which any staff can air issues.

MANA WHENUA/TRADITIONAL OWNERS

Where the Company operates, it engages directly with mana whenua [or traditional owners of the land]. It is not currently an operator.

Engagement at non-operated sites is through the JV operator.

JV PARTNERS

Regular meetings and information sharing, including a steady flow of enquiries about operational practice.

INDUSTRY & REGULATORS

The Company considers feedback from industry groups, officials, business representatives at national and regional level, and community groups.

Senior staff participate directly in industry forums and discussions, including opportunities to interact with regulators and decision-makers, where we pay careful attention to views shared with us, and seek opportunities to discuss details and test assumptions.

COMMUNITY AND NGOS

The Company participates in community forums involving discussions about its activity. As it is not operating a site, this is mainly achieved through industry organisations.

The Company accesses operator information about community sentiment through regular JV meetings.

Materiality Matrix

Our materiality analysis shows priorities for our business and stakeholders in environmental, social and governance performance.

Positions on the matrix are assessed by analysing the content and intensity of comments received about topics that have a significant impact on our business, our licence to operate, on our stakeholders and the communities in which we operate.

The materiality assessment is an ongoing process across all of the Company's activities during the year.

Six sustainability issues are identified to be material. The range of issues reflects the nature of the business and the status of the Company's participation, in which we do not operate physical plant but have an oversight role.



1 TRANSPARENCY AND OPEN COMMUNICATION

- Inform, engage our community
- Comply with community expectations
- Be proactive about disclosing our activities

2 ENVIRONMENT, CLIMATE AND ENERGY TRANSITION

- Be responsible about the corporate environmental footprint
- Do our bit to reduce emissions
- TCFD reporting
- Provide energy security while transitioning to the energy future

3 WELLBEING OF PEOPLE

- Health and Safety performance
- Diversity
- Opportunities for personal development

4 COMMERCIAL RETURNS

- Returns to investors
- Returns to NZ Inc
- Community Investment
- Local economic development

Management commentary
(no financial statements)

Response To Material Issues

The top four material issues identified are: Transparency and open communication, Environment, climate and energy transition, Wellbeing of People, Commercial opportunities.

For this report we provide more detailed responses to the top four material issues below

1 Transparency and Open Communication

Our Stakeholders Expect We Will...

- Inform and engage with our community, proactively disclose relevant information about our activities, be part of the discussion about energy transition

Our Response

We are committed to transparency and open communication, and we report openly on all of our activities to investors and the wider community. We believe in investing in open dialogue and relationships, and we aim to promote understanding of the way we work and the reasons we engage in producing oil and gas.

We understand that communities have legitimate concerns about the benefits and impacts of our activities, and we strive to manage risks and negative impacts while ensuring that benefits are distributed fairly.

In addition, we actively participate in discussions about energy transition in business and industry forums, as well as directly with government and political parties at ministerial and official levels. All of our advocacy is conducted openly and honestly, and we make our lobbying and political engagement comments and activities public. We also make submissions on relevant legislation and policy.

Lobbying and membership of associations

New Zealand Oil & Gas publishes all of its submissions to government relating to policy or any of its activities.

We are members of reputable national business representative groups:

- Business New Zealand major corporates group (and through Business NZ, the Wellington Chamber of Commerce and the Business Energy Council).
- Gas Industry Co.

We contribute to research and analysis on transition issues.

2 Environment, Climate and Energy Transition

Our Stakeholders Expect We Will...

- Be responsible about the corporate environmental footprint
- Report our climate governance, management, risk and metrics using the TCFD (Taskforce on Climate-related Climate Disclosure) model.
- Manage our emissions responsibly.

Our Response

We support carbon budgets and emissions pricing as the most efficient and effective tools to manage carbon emissions. An economy-wide response to the global issue of climate is more efficient, sustainable, and effective than an enterprise-level response.

We are responsible for our own carbon footprint and support initiatives such as recycling in our head office. We report comprehensively on climate risks through our TCFD reporting, as shown below. The Company has reduced or offset our emissions from office-related activities at our corporate HQ by financially supporting carbon-reducing tree planting. We do not report Scope 3 emissions. However, we support efforts by users to offset their emissions from use and by governments to reduce avoidable carbon emissions through efficient economic instruments.

We are committed to responsible management practices that minimise adverse environmental impacts from our activities. We use soundly-based science as the basis for all our environmental decisions.

We comply with all applicable environmental laws and regulations and good practice industry standards. We apply reasonable standards where regulatory legislative requirements and standards do not exist. We work to minimise pollution and the cumulative environmental impact of our activities at a local, regional, and global level, trying to reduce waste and improve resource use. Our environmental management plans for all our activities identify, assess, and manage environmental risks as low as reasonably practical.

3 Wellbeing of People

Our Stakeholders Expect We Will...

- Manage our activities with the highest practical standards of Health and Safety performance.
- Encourage diversity by having a supportive and welcoming workplace, removing barriers to women's participation and advancement in the Company, and championing diversity in our industry.
- Providing opportunities for personal development.

Our Response

We make safe operating and the health of our workforce our top priority. Well-being of people regularly features higher in internal materiality surveys than in feedback from outside.

Staff incentives are linked directly to corporate health and safety performance.

Health and safety reporting includes both our own sites, and non-operated sites where we have an interest, and our supplier code sets out requirements for companies that do business with us. Performance is monitored daily and reported through to an HSE weekly meeting, as well as to weekly executive management meetings. The Operational Risk and Sustainability committee reviews performance and policies and reports on performance to the board.

Performance is monitored daily and reported to a weekly HSE meeting, as well as to fortnightly executive management meetings. The board Operational Risk and Sustainability Committee reviews performance and policies and reports to the board.

Our diversity initiatives are aimed at promoting a supportive and welcoming workplace, removing barriers to women's participation and advancement in the Company, and championing diversity in our industry.

We are proud to have retained a Rainbow Tick, which is an accreditation recognising our efforts to provide an inclusive workplace for the LGBTTTQIA+ community. We regularly engage in cultural activities meaningful to our staff and survey their attitudes toward diversity initiatives to ensure that we continue to create a workplace that is welcoming and inclusive for all.

We invest in the development of all our staff by providing regular coaching and training opportunities across the business. This investment in our staff ensures that we maintain a high level of expertise and are able to adapt to changes in the industry.

4 Commercial Returns

Our Stakeholders Expect We Will...

Deliver returns to investors and our community

- Invest in community outcomes.
- Support local economic development.


Our Response

Through our social investment we live our values as good partners, committed to enduring relationships with our neighbours and wider community. We make social investments that make a sustainable difference. Examples of our contribution include funding for Dunedin's curtain bank, that provides warmer housing for vulnerable low income families, funding for scientific research, and planting trees in areas where community groups are restoring the landscape.

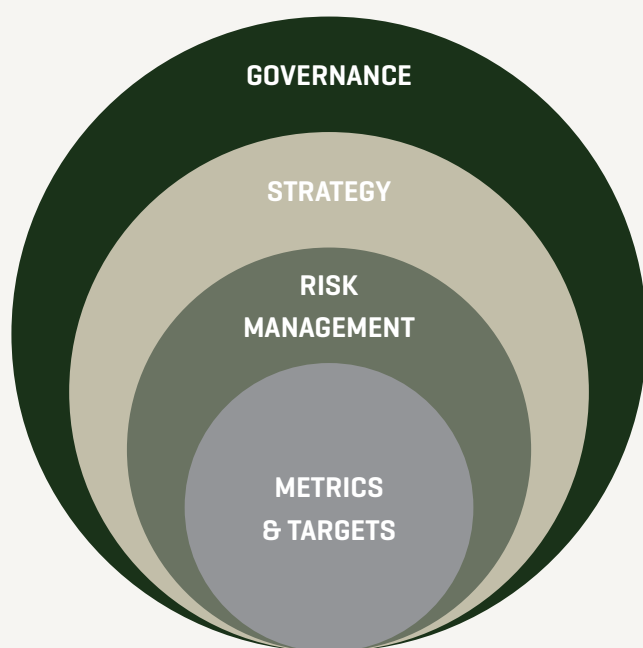
We pay millions of dollars in royalties and income tax to governments in Australia and New Zealand. Oil and gas workers earn twice the national average salary.

The Company has a policy on Capturing Local Economic Benefits, which was developed in response to a materiality assessment of community expectation. The policy commits us to promoting local content and capturing local benefits. We commit to studying opportunities for the wider community to participate commercially in our projects, and to producing a local content plan for significant developments. We also believe our expertise in areas such as health & safety and international business processes can help local enterprise compete on a commercial basis.

Industry value benefits

 www.nzpam.govt.nz/nz-industry/value-benefits/

Taskforce on Climate-related Financial Disclosures (TCFD)



Inline with TCFD recommendations, climate risk content is reported under the following headings:

- [Governance](#)
- [Climate Change Statement](#)
- [Strategy](#)
- [Risk management](#)
- [Metrics and targets](#)

Governance

Climate and sustainability risk is overseen by the board Operational Risk and Sustainability Committee.

Its role is to advise and support the board in meeting its responsibilities in relation to health, safety, security, environment, sustainability, operational risk and community engagement matters arising out of the activities and operations of the Company.

The committee's Charter responsibilities include:

- Monitoring the performance and effectiveness of the Company's Risk Management Framework, compliance with the framework and the adequacy of risk controls.
- Setting, reviewing and agreeing operational risk and sustainability policies, practices, frameworks and targets, including performance against these, including:
- Sustainability performance framework, targets and reporting;
- Community and iwi engagement;
- Environmental policies and programmes including climate change responses.
- Seeking assurance of the Company's compliance with all operational risk and sustainability legislative requirements, licence conditions and stakeholder commitments.
- Supporting the board and management in defining the Company's operational risk and sustainability objectives.
- Working with management to agree how operational risk and sustainability objectives will be achieved, monitored and reviewed.
- Supporting a culture of continuous improvement by reviewing significant incidents and system failures and monitoring actions and measures to minimise recurrence.

The Committee's Charter is here:



www.nzog.com/dmsdocument/370

- Ensuring the necessary skills are obtained and maintained to achieve operational risk and sustainability objectives.
- Providing leadership to the board and support the Company in aspiring to proactively manage operational risk and sustainability issues.
- Ensuring that significant issues are brought to the attention of the full board.

Responsibility for identifying, documenting and managing risks and opportunities is delegated to the appropriate level of management.

The General Counsel has responsibility for climate risk. Asset managers are responsible for risks to individual assets. The Chief Financial Officer has management responsibility for financial and investment risks associated with climate change.

Potential risks to New Zealand Oil & Gas from climate change are assessed under the following headings:

- Policy and Legal,
- Physical [acute and chronic],
- Financial and Market,
- Social/Political/Regulatory, and
- Technological.

All these risks have potential financial and operational implications due to lost profitability and increased delays.

See detailed discussion below under the section Climate Risk management, page 26.


Company Policies

The following company policies, that are directly relevant to Sustainability and climate risk management, are available on the Company's website.

- Health and Safety Policy
- Environment Policy
- Capturing Local Economic Benefits Policy
- Community Engagement Policy
- HSSE Management Framework and Management System
- Risk Register
- Risk Management Procedure
- Sustainability Framework
- Climate Change Policy

Relevant sections of corporate policies are referenced in this document.

These documents are available in the corporate governance section of the Company's website, at:

 www.nzog.com/investor-information/shareholders-information

Climate change statement

Our Position

New Zealand Oil & Gas recognises that climate change will affect our community and environment. It is a global issue.

As a result, our world has begun a transition to a low carbon economy. We all have a role in the transition, ensuring our needs are met while we decarbonise. We recognise and support global efforts to reduce climate change through clear and meaningful policy and market settings.

We believe a collaborative transition is necessary to ensure the success of the transition, pricing carbon emissions is likely to be the most effective and efficient model for achieving emissions reductions.

We help the world reduce carbon intensity while continuing to provide for energy needs. Being part of the mix that's required to deliver secure, reliable, sustainable and affordable energy.

Specifically, we will:

- actively identify, manage, report and mitigate material climate risk to our business, and report our governance, strategy, risk management targets and metrics;
- meet the carbon reporting requirements of the regions we operate in;
- promote the benefits of gas as a lower-emitting transition fuel that supports energy reliability and affordability, and is a strong companion for renewables;
- review and implement opportunities to reduce the carbon impact of our operations;
- support our joint venture partners to look for and implement low carbon solutions; and
- respond meaningfully to stakeholder views and expectations around climate change as it pertains to our activities.

Our Commitments

New Zealand Oil & Gas commits to:

- Supplying gas to provide energy security and reliability through the transition.
- Identifying, assessing and actively managing and mitigating material climate risk to our business.
- Reporting our governance, strategy, risk management and, targets and metrics.
- Meeting the carbon reporting requirements of the regions we operate in.
- Setting and publishing meaningful targets to internalise how to reduce emissions from our production while we continue to grow and provide more energy security and reliability.
- Reviewing and implementing feasible opportunities to minimise the carbon footprint of our operations.
- Supporting tree-planting to help absorb carbon emissions in proportion to our emissions.
- Responding meaningfully to stakeholder views and expectations around climate change.
- Supporting vulnerable communities to reduce their energy needs and make energy more affordable.
- Supporting our JV partners to look for and implement low carbon solutions.
- Supporting quality research onto low carbon technology.
- Annually reporting on our climate approach progress and performance in alignment with the recommendations of the TCFD as it pertains to our activities.

Accountabilities

The CEO of New Zealand Oil & Gas is accountable to the Board for ensuring this policy is implemented, reviewed regularly and updated as required.

The application of this policy is the responsibility of all employees, contractors and joint venturers engaged in activities under New Zealand Oil & Gas operational control.

New Zealand Oil & Gas managers are responsible for promoting the policy in non-operated joint ventures.

Our Approach

Business planning, including scenario analysis, has been an important tool for assessing opportunities and managing our investment.

Risks, including climate risks, are formally reviewed at least twice a year, and the board, through the Operational Risk Committee reviews, takes ownership of the content.

The main climate and sustainability risks to New Zealand Oil & Gas fall into the following categories:

- Policy, legal and regulatory,
- Physical,
- Financial,
- Social, political and reputational,
- Technological.

All of these have short and long term financial and operational implications due to lost profitability, delays and limits to the investable opportunity set.

The process is outlined in more detail in the section below, 'Climate Risk Management.'

Sustainability and Climate Risk Strategy

Our sustainability objective is to help provide affordable energy and energy security for the communities where we operate in. Take care of our people, behave ethically, support renewable energy in the transition, and responsibly manage our own footprint.

We aim to do this by:

- Adopting reporting, risk management policies, and standards that lead peer companies of our size in our sector.
- Complying with all applicable laws and meeting community expectations of good practice.
- Contributing to informed public policy development of energy issues, risks and opportunities.
- Seeking to reduce waste, and improve resource efficiency in our design and operating practices.
- Systematically identifying, assessing and managing environmental, social, regulatory, and related risks.
- Reporting openly, regularly, and in a manner that allows shareholders and stakeholders to understand our risks, contribution and costs.
- Minimising our environmental impact, working with asset operators to develop plans for reducing asset-level carbon emissions.
- Preferring market-based carbon pricing to manage emissions reduction and guide investment decisions. Market prices are the most efficient policy choice for our shareholders, and demonstrates community preferences and expectations for the role of carbon in meeting energy needs.



Sustainability strategy looks at the whole energy trilemma

No approach to managing sustainability will be successful unless all components of the energy trilemma are managed together:

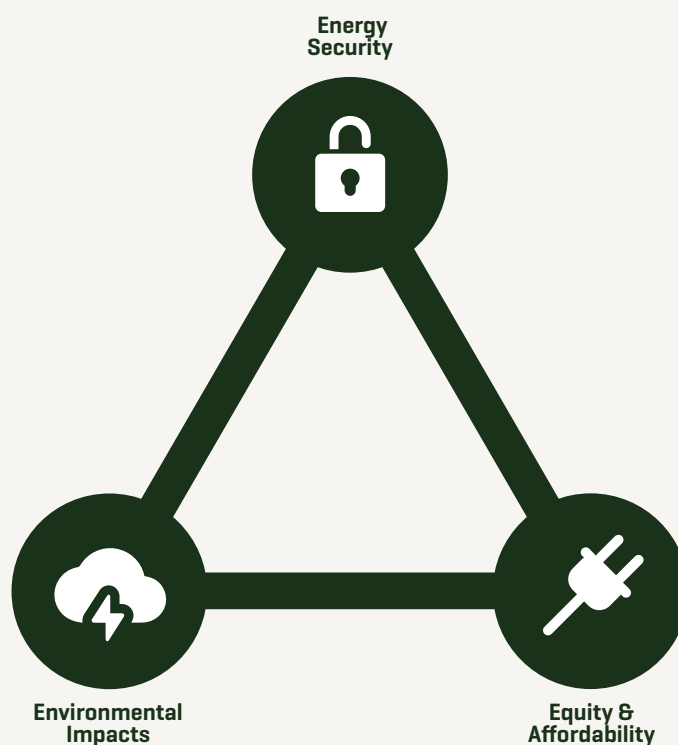
- Environmental impacts,
- Equity & affordability, and
- Security.

One of these components is not inherently 'better' or a higher priority than any other. Sustainability encompasses more than just emissions. The wellbeing of our people and the community is also a critical element.

In the past year, energy supply disruptions around the world have highlighted the importance of energy security and reliability for consumers. Community leaders have also shown an expectation that companies will fulfill their role in delivering the energy that we all need.

Different companies have varying roles in addressing the energy trilemma. Given that energy security often trades off with carbon emissions, managing energy for the trilemma requires companies providing security to have higher emissions than those introducing decarbonisation technologies to substitute for oil and gas. Nonetheless, the latter business still relies on the energy security that we provide because the energy system is interconnected. Therefore, each economy's energy strategy should be analysed as a whole.

In our case, the materiality index provides an overview of sustainability issues affecting the Company and their relative priorities for our activities.



We don't just talk about ethical behaviour

Our staff are remunerated in part on the basis of behaviours and values, as well as the Company's overall sustainability and health, safety and environmental performance.

Climate change and sustainability continue to have an impact on our business, as outlined in this report. Similarly, energy prices and the availability of reliable supplies also affect us. We incorporate consideration of these issues into our business planning and management.

We strive to support new technologies and punch above our weight in promoting public awareness about the benefits of energy alternatives. For instance, we make donations to the Salk Institute to support their world-leading research on plant-based carbon sequestration. We have also contributed, where possible, to business forums to provide our perspective on the valuable potential role of carbon capture. Our entire Company engages in discussions about ethical issues that our staff members care about, and we regularly discuss these topics in Company-wide meetings

Climate risk management

How We Identify, Assess and Manage Climate-Related Risks

The Company's Risk Management System Framework applies consistent and comprehensive risk management practices.

Climate risks are recorded in the central risk register, which considers the risks, reviews the controls, assigns ownership of risk and tracks treatment plans.

Climate risks are identified on an ongoing basis and consideration is given to industry and peer information and expertise, shareholder and community feedback, regulatory changes, and analysis by our own staff and contractors.

Risk assurance and oversight of climate risk management is provided through internal review by the board Operation Risk and Sustainability committee.

How We Model Climate Risk

Kupe, New Zealand

For our New Zealand Kupe asset, New Zealand Oil & Gas uses the New Zealand ETS market pricing for carbon emissions.

The Company has sufficient forward emissions credits for future demand. As these were purchased at much lower carbon prices, the emissions trading system carbon costs represent a positive opportunity for competitive advantage.

For physical risks to the Kupe offshore platform, onshore coastal processing plant and connecting pipeline, the Company carries insurance and equipment is engineered to standards well in excess of expected weather activity.

Amadeus, Australia

For physical risks to our Amadeus Basin interests, the Company has comprehensive insurance to cover physical risk. The risks associated with climate are assessed in engineering planning. For forward price risk associated with production, the Company uses impairment testing based on forward market prices and contracts.

The Company uses an internal price to test economics of investments based on market prices in other comparable international regimes. Expectations of forward prices reflect the market consensus on the likelihood and level of future carbon charges and market demand. Potential increased carbon pricing or reduced prices are part of the Company's sensitivity testing.

Carbon prices have generally conformed to forward curves in the reporting period, while oil and gas commodity prices have been much higher due to concerns about energy security and actual shortages of gas. As a result, the financial risks associated with climate change are assessed to be considerably positive [upside] as of the date of this report.

Perth basin, Australia


In the acquisition of exploration opportunities in Western Australia, the Company used a shadow carbon price to test the economics of a discovery during due diligence.

Expectations of forward prices were based on market consensus. Potential increased carbon pricing or reduced prices were also considered as part of the Company's sensitivity testing. Engineering risks will be assessed in the FEED (Front End Engineering Design) process following any new discovery.

Assets held by Cue

For assets held by its subsidiary, Cue Energy Resources, in New Zealand and Indonesia, risks are modelled by Cue, and the Cue board manages the risk for those assets. The risk model is broadly similar to the one used by New Zealand Oil & Gas to manage assets held directly.

The Risk Management Framework is available here:

 www.nzog.com/dmsdocument/download/493

Risk Assessment

The table uses the following time horizon categories: Short [S]: 0–5 years, Medium [M] 5–10 years, Long [L] 10+ years.

Risk type	Description	Time	Control
Non physical risks Policy and legal risks	<p>Litigation against companies and/or directors on climate grounds (claiming causation or seeking greater action to mitigate effects) could have reputational, development and operating cost impacts.</p> <p>Changing regulations including bans and restrictive regulations, taxes and emissions limits across all jurisdictions risk viability of projects.</p>	S M L	<p>Board and management understand their fiduciary duties around climate change risk.</p> <p>Internal processes, including due diligence and joint venture processes, identify and manage climate risk.</p> <p>Monitor jurisdictions where we undertake activities. Look to diversify jurisdictions to mitigate changes to any individual regulatory environment.</p> <p>Participate in New Zealand's environmental regulation framework through reputable industry advocacy bodies, including Energy Resources Aotearoa, Business New Zealand and the Business Energy Council.</p> <p>Develop evidence for the role of natural gas in a net carbon-zero future.</p>
Reputational and social license risks	<p>Stakeholder disengagement and oppositional activism. Loss of social license, leading to project delays or stoppages.</p> <p>Recruitment and retention risk.</p> <p>Risk of partner misalignment from divergent approaches to carbon management.</p>	S M L	<p>Manage environmental performance through sustainability framework.</p> <p>Promote corporate values, including our pride in our work.</p> <p>Due diligence screening of commercial opportunities and joint ventures.</p>
Financial risks	<p>Divestment movement increases, affecting availability and cost of capital.</p> <p>Insurance premiums increase. Potential for classes of assets and locations to become uninsurable.</p> <p>Capital cost increases if new environmental standards require more expensive supplies relative to alternatives.</p> <p>Carbon pricing adopted across jurisdictions, or inconsistently between them.</p> <p>Changes to price and cost forecasts result in stranded assets or reserves.</p>	<p>S M L</p> <p>S M L</p> <p>M L</p> <p>S M L</p> <p>S M L</p>	<p>Incorporation of a shadow price on carbon in sensitivity testing for investment decisions.</p> <p>Due diligence screening of commercial opportunities and JV processes. Assurance of insurance forecasts.</p> <p>Access to a range of funding options.</p> <p>Reporting on environmental, social, and governance (ESG) matters, including TCFD compliant reporting.</p> <p>Jurisdictional diversification to mitigate the impact of sudden, unilateral changes, confiscation, or value destruction by regulation.</p>
Physical risks Acute & Chronic	<p>Physical assets, especially our coastally-located gas production plant, may be subject to increased frequency and intensity of extreme weather events such as storms, flooding, coastal inundation, lack of water availability, or slips.</p> <p>Offshore drilling and production delayed or shut in by increased weather events.</p>	M L	<p>Engineering anticipates environmental conditions.</p> <p>Carbon policy provides for review of climate issues in strategic and operational decisions.</p>
Opportunities Commercial	<p>Global reduction in high carbon sources such as coal is increasing demand for natural gas as a lower carbon partner to renewables.</p>	S M L	<p>Strategic preference for natural gas.</p> <p>Support for our joint venture partners pursuing low carbon innovations on sites.</p> <p>Ongoing investigation of investment opportunities in lower emission technologies, including carbon capture and storage.</p>
Reputational	<p>Partnering with local communities to support low carbon initiatives.</p>	S M L	<p>Local relationships and discussions about contributing to socially desirable low carbon outcomes.</p>

Performance

Diversity Objectives For 2022-23

Measure	Performance Update
Promote ongoing engagement with diversity initiatives, policies and guidelines to ensure they are evolving appropriately.	Rainbow Tick Retained
Providing talent management support for diverse and emerging leaders.	Executive coaching and personal professional development coaching provided.
During any relevant board selection process, the Nomination and Remuneration Committee must ensure at least one credible and suitably experienced female candidate is provided for consideration.	Not applicable. No relevant selection process undertaken.

Sustainability Initiatives 2022-23

Measure	Update
Commence sustainability reporting separately from annual report	This report
Determine emissions intensity targets for production	Progress to date.
Obtain environmental approvals for drilling Kupe offshore well, Taranaki Basin New Zealand	Approvals expected mid-2023

Measurable Targets 2023-24

Finalise and adopt a Transition Plan.

Maintain TCFD statements and reporting online and in the 2023 Annual Report. Adapting to the new reporting standards required by new NZ legislation (and the XRB's reporting standards).

Maintain accessible information on the benefits of Australasian regional gas production (in line with Company strategy).

Continue to report transparently on financial and nonfinancial value in Annual Report and online e.g., through website and annual report.

Advocate for the benefits of gas exploration within the Australasian region (e.g., through leadership forums).

Continue to allocate the agreed annual community investment budget aligned with regional areas, annually [target applies to FY 22/23].

Identify additional STEM education opportunities to support under privileged children in our communities in the regions we are active.

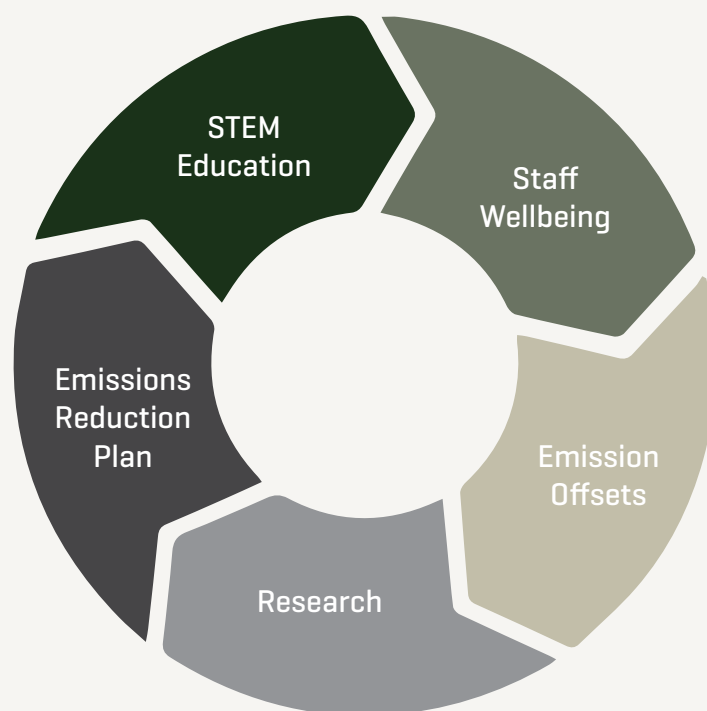
Continue to deliver staff wellbeing support on an annual basis via Te Ata including: Annual Flu vaccination & health check, ongoing Vitae support, wellness allowance and wellbeing communications.

Maintain policy to offset emissions from corporate flights, annually.

Initiate any office sustainability improvement opportunities from sustainability survey.

Continue review of opportunities and projects to support or invest in R&D or other low-carbon commercial opportunities.

Measurable Objectives FY 22/23



Emissions

OUR EMISSIONS

As New Zealand Oil & Gas does not operate production assets, its Scope 1 emissions mainly arise from head office and travel activities.

Initiatives in head office seek to minimise the Company's carbon footprint. Its head office emissions are offset by tree planting through the Trees That Count initiative and its support for the Dunedin Curtain Bank.

Scope 1 Emissions

Total office emissions	25 tCO ₂
Carbon absorbed through tree planting	1.52 tCO ₂ per year [accumulates each year for decades over the life of the tree]
Emissions saved through curtain bank	8.4 tCO ₂
Travel emissions not offset	15.08 tCO ₂
Sustainability measurable objectives	Initiate office sustainability improvement opportunities and conduct staff survey. Investigate a carbon emission audit and reduction plan.

Scope 2 Emissions

New Zealand Oil & Gas production increased nearly four-fold from FY21 to FY22 as a result of the acquisition of producing Amadeus basin assets in Australia's Northern Territory. Emissions intensity (tonnes of CO₂ emitted per terajoule of energy) reduced during the period.

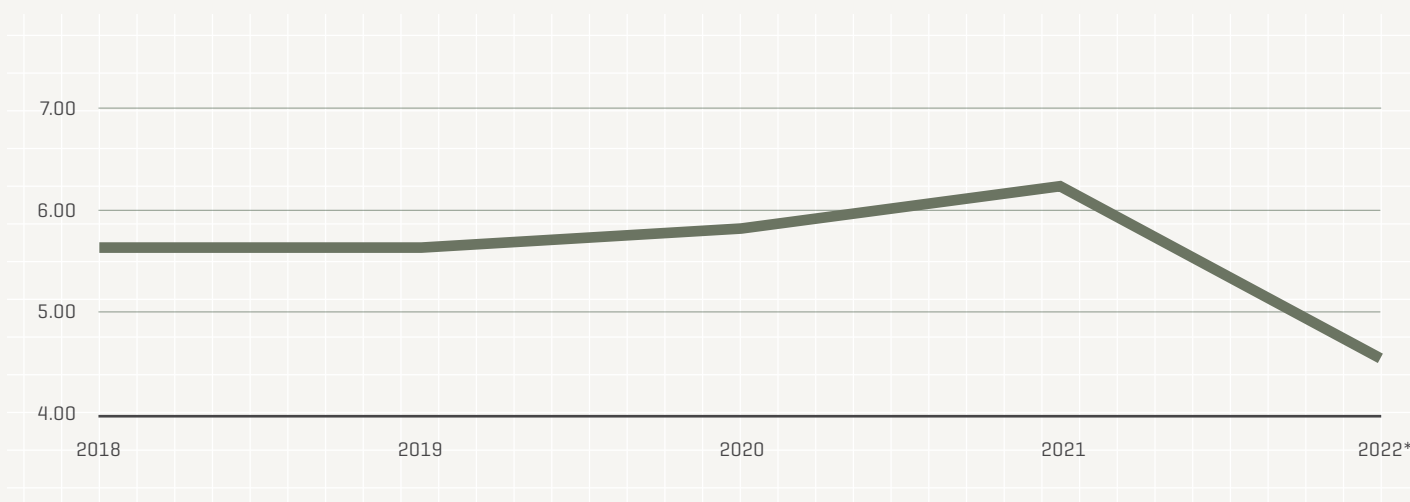
	NZO Emissions [tCO ₂ e]	TJs Sold	Intensity Factor [tCO ₂ e per TJ]
FY18	6,166	1,097.67	5.62
FY19	5,670	998.11	5.68
FY20	5,529	950.87	5.81
FY21	5,728	919.72	6.23
FY22*	15,601*	3,438.21	4.54

*These figures include emissions from the Amadeus Basin assets which are for a nine month period [aligned with the period we owned the assets], and are provided by Central Petroleum Limited as operator of those assets and are unaudited.

New Zealand Oil & Gas emissions exclude Cue Energy figures.



Intensity factor [tCO₂e per TJ]





Supporting tree planting

555 trees planted in 2023

545 in 2022



New Zealand Oil & Gas supported the tree planting by Te Nukuroa o Matamata, which is a project led by Te Runaka o Otakou to restore habitats and rejuvenate mahika kai (food gathering places) in the lower Taieri catchment.

The lower TaiEri catchment area is recognised as a precious refuge for threatened and endangered species of plants, fish and birds.

Te Nukuroa o Matamata project will:

- seek to reverse the negative effects of drainage, development, and adverse land use practices, the incursion of introduced species that have contributed to the degradation of water quality and the loss of wetlands and riparian vegetation and biodiversity in this catchment.
- create training and jobs over 3 years, focused on biodiversity enhancement through a range of wetland, river and riparian habitat restoration and protection works.
- connect people with traditional waterways and resources, and be a pathway of learning and skills development.
- Improve water quality through the restoration of native vegetation condition and healthy habitat;
- Reduce introduced pest plant and invasive weeds, and animal pest populations.

Tree's that count

Atarau Sanctuary

Our support helped Atarau Sanctuary to plant 270 trees in a sanctuary for kiwi chicks.

Atarau Sanctuary provides predator-free sanctuary for Paparoa Wildlife Trust's roroa (great spotted kiwi) chicks, which are hatched at Willowbank Wildlife Reserve and then put in the sanctuary until they are old enough to fend for themselves.

Atarau Sanctuary is the first land-based pest-proof crèche specifically for kiwi in the South Island and the only facility for roroa to take sanctuary until they are big enough to head out into the world. Since opening in 2010, Atarau has given sanctuary to 49 roroa chicks.

By planting this area in native plants it will replicate an environment that will be comparable to the wild environment in which the kiwi will be released.

Paparoa Wildlife Trust is a community conservation initiative dedicated to running effective conservation projects in the Paparoa Ranges near Greymouth.



"Support from organisations such as Trees that Count is really important for helping us create a safe transition for our young kiwis, and ultimately give them the best chance of survival."

[Read more about Atarau Sanctuary](#)

grow.treesthatcount.co.nz/planters/atarausanctuary/

Tomahawk/Smaills Beachcare Trust

Our support helped to plant 239 trees

Tomahawk Smaills Beachcare Trust's aim is to restore the habitat and biodiversity of the sand dune ecosystem in the Ocean Grove Reserve, and to provide long term protection to the Ocean Grove community against the threat of erosion.

Ocean Grove Reserve is a 28 hectare site of active sand dunes located approximately 6 kilometres from Dunedin city centre.

The Trust contributes to restoration through hands-on participation in nursery activities and native planting.

The Trust sustains local relationships across a diverse group of people by offering a positive opportunity to contribute to a common environmental cause.

Otago Fish & Game Council

Our support helped to plant 400 trees in a wetland area


Otago Fish and Game is a not for profit organisation charged with maintaining and enhancing sportsfish and gamebirds and their habitat.

Takitakitoa is an ongoing wetland restoration of significance. The planting programme, which is designed to convert a previously grazed area of the wetland back into native shrubland, has been running for 4 years.

Rain, hail or shine, nothing will stop the crew from completing their planting down at the Takitakitoa Wetland! With all this good quality habitat around, the place is teeming with life.



Read more about Otago Fish & Game Council

 grow.treesthatcount.co.nz/planters/fishgamenewzealand/#funding





Supporting diversity



Proudly Rainbow inclusive

New Zealand Oil & Gas is proud to earn a Rainbow Tick and be a leader in our industry in accepting and valuing people in the workplace, embracing the diversity of sexual and gender identities.

The Tick certification process tests whether a workplace understands and welcomes sexual and gender diversity. The process involves an on-going quality improvement process.

Rainbow refers to people who identify as lesbian, gay, bisexual, transgender, takatāpui and intersex (LGBTQIA+).
Diversity Policy



Diversity statement

The Company is committed to an inclusive workplace that embraces diversity.

The Company values, respects and leverages the unique contributions of people with diverse backgrounds, experiences and perspectives.

Diversity is about commitment to equality and treating all individuals with respect, and includes, but is not limited to, gender, age, disability, ethnicity, marital or family status, religion, sexual orientation, gender identity or expression, and cultural background.

The Company commits to recruiting from a diverse pool of candidates, who will be considered with no conscious or unconscious bias that might discriminate against certain candidates.

The Company's employment practices and policies take into account the domestic responsibilities of employees and adopts flexible work practices.

The Company supports the determination of self-identity by all employees including using the titles, names and pronouns of their choice. We seek advice from external organisations to appropriately support staff.

The board establishes measurable objectives for achieving gender diversity. The board may establish measurable objectives for other aspects of diversity, and assesses regularly both the set objectives and the progress in achieving them.

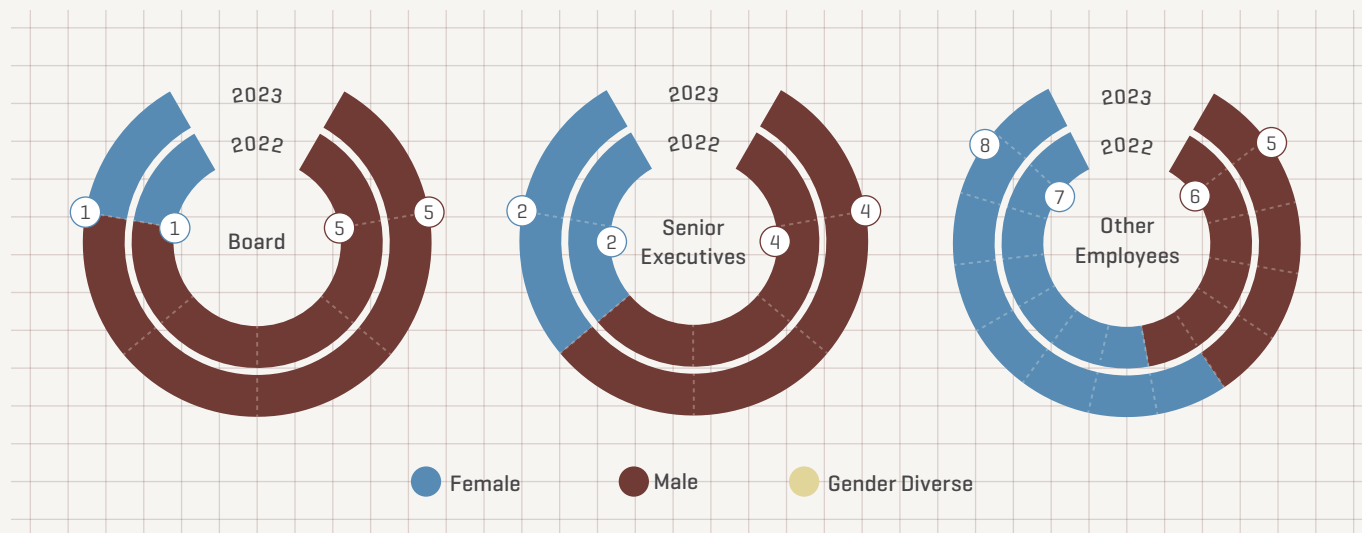
The Company's Diversity Policy is available here:

www.nzog.com/dmsdocument/download/490

Diversity Performance Metrics

Diversity Performance 2022-23

The following charts show gender diversity across the company [excluding contractors] as at 31 March 2023, and compares that to numbers as at 31 March 2022.



Compliance with the Diversity Policy

With respect to the provision of the diversity policy, the board has determined that the Company has complied with the policy.

Objective	Status	Progress
Promote ongoing engagement with diversity initiatives, policies and guidelines to ensure they are continuing to evolve as needed	Achieved	<p>We have set up the Te Ata initiative to support and nurture the well-being of our team, which includes coaching, training, upskilling, resilience training, "conversations that matter" training, and a monthly book club. The Company was recognised with a wellbeing award by Vitae in appreciation of the Te Ata initiative.</p> <p>The CEO has committed to having lunch with every staff member to ensure that they are receiving appropriate opportunities for development and to understand how they feel about the organisation's performance. We have reviewed our policies to ensure that they do not impede our ability to maintain a diverse workplace. We have also created a flexible working guideline that complements our family-friendly and diversity policies [which can be found on our website]. Candidates have given positive feedback about these initiatives when we have recruited new team members.</p>
Providing talent management support for diverse and emerging leaders.	Completed and ongoing	<p>The Diversity Committee maintains a cultural calendar that celebrates events of cultural significance to our people, and we have integrated them into all staff gatherings and events.</p> <p>The Company participates in Diversity Works, offering staff opportunities to attend workshops, webinars, and networking events. This will continue in 2022-23.</p> <p>Job descriptions for leadership roles in the Company have been reviewed, and a job sizing activity is underway to determine appropriate benchmarks for resource allocation and equitable remuneration.</p>
Retain Rainbow Tick	Achieved	Review for re-accreditation is required and the Company was re-accredited.



Diversity Performance Targets for 2022-23

- Promote ongoing engagement with diversity initiatives, policies and guidelines to ensure they are evolving appropriately.
- Provide talent management support for diverse and emerging leaders.
- During any relevant board selection process, ensure at least one credible and suitably experienced female candidate is provided for consideration.
- Retain Rainbow Tick.



Sustainable Development Goals

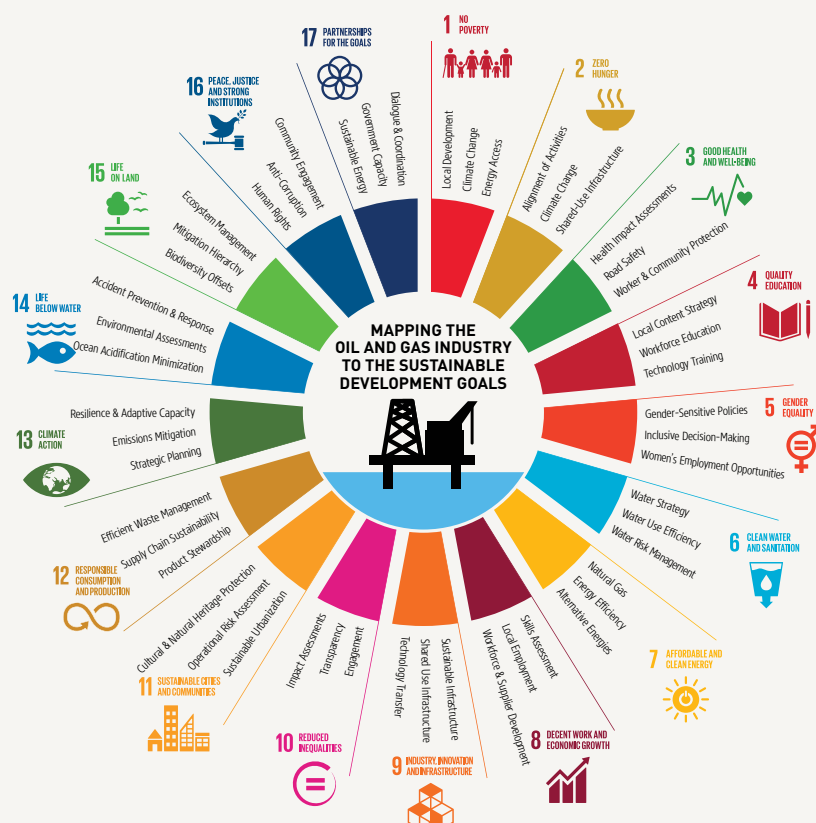
The UN's 2030 Agenda for Sustainable Development outlines the world's plan of action to end poverty, protect the planet, and ensure prosperity for all.

The Sustainable Development Goals (SDGs) recognize the provision of energy as a crucial element for achieving the 2030 agenda.

The SDGs serve as a framework for partnership between governments, society, and businesses, and 17 of these goals are relevant to our upstream oil and gas sector, particularly UNSDG7:

Ensure access to affordable, reliable, sustainable and modern energy.

Below, we have outlined our most significant contributions to the relevant SDGs



Mapping the SDGs to our activities



Natural gas helps to keep energy costs affordable and reduce energy poverty.

The Australian Competition & Consumer Commission's [ACCC] latest gas inquiry report forecasts a supply shortfall of 30 petajoules [PJ] in Australia's east coast gas market.

As a result of this shortfall, the regulator comments, "prices offered for supply on the east coast in 2023 increased sharply last year to the highest levels the ACCC has observed in the almost six years of its gas inquiry."

Our production in the Amadeus Basin, located in Australia's Northern Territory, provides direct supply into this market, helping to address the gas shortfall and applying downward pressure on prices.

The Australian energy regulator reports

<https://www.aer.gov.au/wholesale-markets/wholesale-statistics>

New Zealand gas pricing and supply

<https://www.gasindustry.co.nz/data/gas-pricing/>

In New Zealand, we sell gas from our interest in the Kupe gas field and production facility for electricity generation. The electricity markets and energy supply in New Zealand face constraints, and our production helps to reduce supply uncertainty and apply downward pressure on prices for households and consumers.

ACCC Statistics

<https://www.accc.gov.au>

The taxes and royalties we pay help the government fund essential social services.

Taxes and royalties paid

Six months to 31 Dec 2022

[NZD, 000s, unaudited]

Income tax	3,130
Royalties expense	2,198



We help to reduce poverty by supporting vulnerable families with their energy needs

We recognise that curtains can make a significant difference to the warmth of a home. In Dunedin, where cold homes are known to cause illnesses, we have purchased curtains for 140 households in need.

To reduce energy bills and alleviate hardship for vulnerable families, we proudly partner with the Dunedin Curtain Bank. Through this partnership, we up-cycle unwanted and unused curtains, line them, and distribute them to those in need. Our efforts have resulted in an average savings of \$170 per household per year, amounting to a total of \$23,800 saved for the households we have assisted through the Dunedin Curtain Bank.

December 2022 Half Year Financial Report

<https://www.nzog.com/dmsdocument/download/666>



The Company supports community health with important initiatives.

We support world class research at the Salk Institute for Biological Studies, which is undertaking revolutionary research into climate change, aging, cancer, neurodegenerative conditions and infectious diseases.

See more on page 44

We support healthy community with our sponsorship of healthy homes [see item 1 above].

Agricultural exports from New Zealand and Australia are crucial to meeting the world's need for food security. Affordable energy is crucial to agricultural production.



The Company supports the whole health and wellbeing of its staff.

Our Te Ata initiative provides support and nurtures the wellbeing of the team. This includes coaching opportunities, training, upskilling, resilience training, and more.

We prioritise safe operations and the health of our workforce. Staff incentives are directly linked to corporate health and safety performance.



The Company supports STEM education

We support students from the Wellington region in taking part in the annual EPro8 Challenge, an inter-school science and engineering competition.

Additionally, each year we sponsor awards at the Otago Science Fair to help students understand more about Earth science, energy efficiency, Mātaranga Māori, marine science, and more.



We are committed to an inclusive workplace that embraces diversity.

The Company is a participant in Diversity Works and staff have participated in workshops, webinars and networking opportunities. Pro-diversity initiatives have been actively promoted at all-staff meetings and morning teas and directly communicated to staff.

Flexible working arrangements are available, and several staff have long-term flexible working arrangements. The success of working from home during the pandemic has enabled increased use of flexible working arrangements.

A flexible work guideline has been drafted, which is a set of practices and undertakings.

Staff have access to, and make use of, family sick leave.

Car-parking is allocated to assist a staff member with commuting requirements which may be determined by childcare requirements

More information about diversity and our diversity performance is presented on pages 33-35.

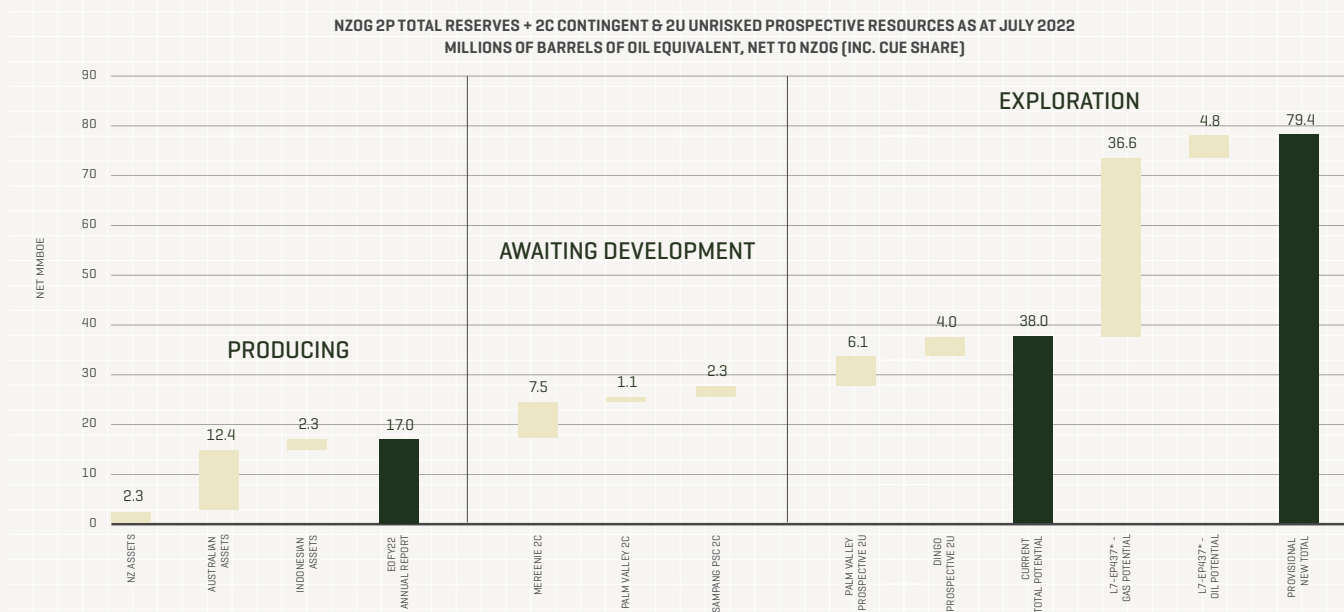
Read our health and safety policy

 www.nzog.com/dmsdocument/492



Our production helps support an affordable, renewable energy system

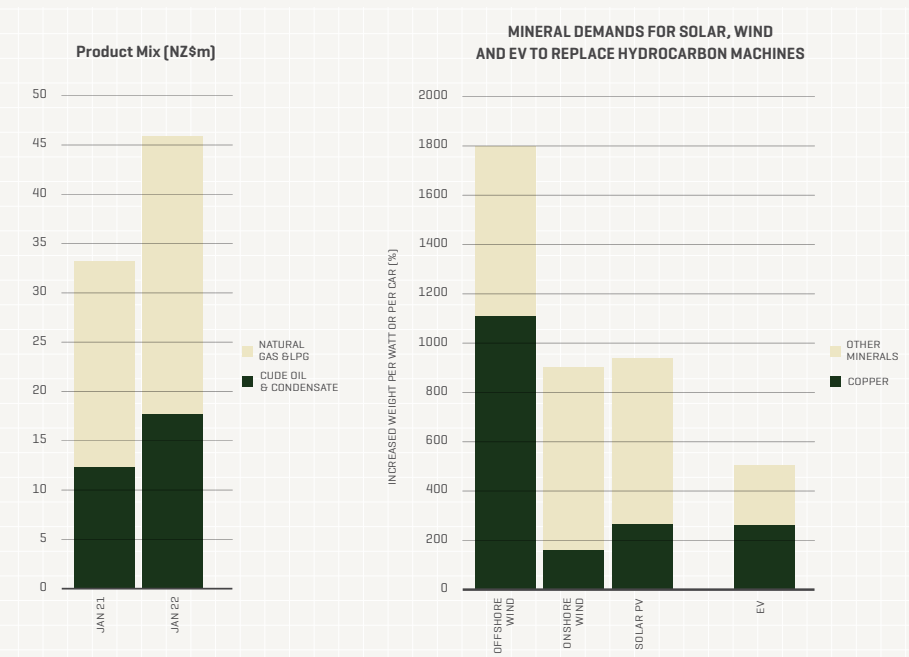
Further production and reserves are detailed in our annual report and production is updated quarterly. See item 1, above, for discussion of how our production helps to make energy more affordable.



Our products are needed in the transition.

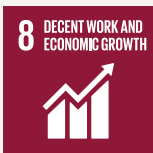
Our products are necessary in the transition to a more sustainable energy future. Our production mix is primarily focused on natural gas, which is predominantly sold into markets where it supports renewable energy generation.

Furthermore, oil and gas are essential for mining production. The minerals required in the energy transition cannot be mined without these resources. Therefore, they play a critical role in enabling the transition to occur.



See the latest figures here

<https://www.nzog.com/investor-information/company-reports>



Our work is well paid and supports economic development

Regional communities benefit the most from the onshore gas industry, with new jobs and infrastructure creating stronger and diversified regional economies.

Many oil and gas jobs and investments are based in rural and regional towns, which provide a range of benefits, including upskilling and educational opportunities, as well as creating stronger, more resilient local communities.

Regions of Australia and New Zealand where our industry is active have some of the highest GDP per capita in the country and make significant contributions to GDP.

New Zealand Oil & Gas plans a substantial programme of economic investment to sustain and grow its production in 2023 and 2024.

EXPECTED CALENDAR YEAR 2023

EXPECTED CALENDAR YEAR 2024

Quarter	Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Mereenie					Recompletes				Development Wells															
Dingo													Compression Project											
Kupe									Development Well															
Mahato PSC	Ongoing Development Drilling & Exploration Well BA-01																							
L7 Proposed*													2x Exploration Wells											
EP437 Proposed*																			Exploration Well					



The company's approach to sustainability and climate are set out above on pages 14-31.

New Zealand Energy Resources

<https://www.energyresources.org.nz/dmsdocument/16>

Australia Energy Resources

<https://www.appea.com.au/industry/policy/co-existence/>



Social and community initiatives



Supporting world class life science

New Zealand Oil & Gas financially supports the Salk Institute, home to scientists who delve into research areas, from aging, cancer and immunology to diabetes, brain science and plant biology.

The Salk Institute for Biological Studies is undertaking revolutionary research into climate change, aging, cancer, neurodegenerative conditions and infectious diseases.

The Salk Institute's renowned and award-winning scientists explore the very foundations of life, seeking new understandings in neuroscience, genetics, immunology, plant biology and more.

Addressing Climate Change – With Plants

New Zealand Oil & Gas specifically supports the Salk Institute's Harnessing Plants Initiative.

Plants are the original carbon scrubbers, removing CO₂ from the atmosphere and storing it in their biomass. Unfortunately, this carbon storage is often temporary. When crops and other plants die and decompose, much of that carbon returns to the atmosphere.

HPI is an innovative approach that relies on Earth's existing carbon storage mechanisms to help solve climate change. To keep more carbon in the ground, and store it in long-lasting roots, Salk scientists are developing a new generation of crop and wetland plants.

HPI plans to develop traits of interest—roots with greater mass, depth, and decomposition-resistant suberin content—in model plants and then transfer them to food crops such as corn, soybeans, rice, wheat, cotton, and canola.

HPI is comprised of two programs: CRoPS [CO₂ Removal on a Planetary Scale], which aims to develop crops called Salk Ideal Plants® that can store more carbon in the ground for longer; and CPR [Coastal Plant Restoration], which is working toward genetically informed restoration and preservation of the world's wetlands, which act as significant carbon sinks.



CO₂ Removal on a Planetary Scale

The CO₂ Removal on a Planetary Scale [CRoPS] project is developing Salk Ideal Plants, which puts CO₂ in the ground and keeps it there.

The key is suberin, a plant tissue that loves carbon and is already found in roots. By increasing root mass, depth and suberin content, Salk researchers will transform wheat, rice, corn and other crops into carbon-storing machines. In addition, more ground carbon means farmers benefit from improved soil health.



Coastal Plant Restoration

Wetlands store as much as 100 times more carbon per acre than dry land, but they're disappearing fast.

As they erode, wetlands release carbon, further complicating the climate picture. Salk's Coastal Plant Restoration [CPR] project is developing wetland plants that hold carbon, purify water, preserve land and can thrive in challenging environments around the world.

Find out more here

<https://www.salk.edu/harnessing-plants-initiative/>

Our Communities

Taking action through our Joint Ventures

New Zealand Oil & Gas is a joint venture partner in producing assets, but we don't operate those assets. We support the communities where we have an interest by supporting the joint venture operator's socially responsible relationships.

In our Amadeus Basin, Australia and Kupe Taranaki, New Zealand assets, operators (Central Petroleum and Beach Energy respectively) maintain quality relationships on behalf of the JV with local communities, businesses, landowners and Indigenous people.



Supporting the local economy

New Zealand Oil & Gas supports JVs buying goods and services locally wherever possible and encouraging contractors to do the same. Both operators support for local business through procurement processes on behalf of the joint ventures.

In the Amadeus Basin, the JV operator employs locals and maximises the number of staff who can commute daily from their homes in Alice Springs. It trains and employs Indigenous staff from the land where our assets are located. Fly-In-Fly-Out workers are engaged only where specialist skills or resources are not available. Last year, 3 traditional owners were in apprenticeships. 30 per cent of the workforce is Indigenous.

Being a good neighbour

New Zealand Oil & Gas supports its JVs to be neighbourly, respect landholder rights and ensure farming, family living and asset operations can continue side-by-side. Operators take time on behalf of the JV to understand agricultural operations and how our operations affect local living. They work with land holders on the location of infrastructure.

Helping out the community

In Taranaki, Beach's community investment programme on behalf of the Kupe joint venture funds community-led initiatives that build resilience, empowerment and positive change. Last year the operator engaged extensively with community investment partners and grant recipients about community benefits. Outcomes of that review are being put into practice in 2023.

On behalf of the JV, the operator created a new Maori playground at Manaia School to support learning through play and cultural values.

It made a \$30,000 donation to support charities that help people in need, in lieu of the traditional end of year gatherings. \$5,000 was donated towards the Roderique Hope Trust's Operation Blue Santa Taranaki, a community project run by Roderique Hope Emergency Housing Trust in collaboration with the New Plymouth Police Family Harm Team. It provides Christmas food baskets for families at Christmas time.

In the Amadeus Basin the operator supported local groups through donations and sponsorship, with priority given to initiatives that support capacity building and social benefits for communities. Projects supported were:

Community	Organisation	Support
Alice Springs	Alkamilya Women's AFL Club	Player and team registration fees
Hermannsburg	Western Bulldogs Men's AFL	Player and team registration fees
Alice Springs	Cruisers Basketball – Ladies Team	Player and team registration fees
Hermannsburg, Kings Canyon, Areyonga and Papunya	Australian Children's Charity	Arts and reading tuition – remote communities
Kintore	Finke River Mission	Kintore Church operations for 12m
Alice Springs	Pioneer FC	Registrations and player fees
Alice Springs	Souths AFL	Registrations and player fees
Ilpurla [South of Palm Valley]	Ilpurla Community	Emergency firefighting breaks, diesel and tyres
Alice Springs	Alkamilya Women's AFL Club	Jerseys

Working with traditional custodians

New Zealand Oil & Gas supports mutually beneficial relationships with mana whenua and traditional custodians of the lands where our assets are located.

In our Northern Territory asset, the operator works with Traditional Owners and Land Councils to protect heritage sites and ensure workplaces are culturally aware. Community meetings are held each year (and periodically during the year as required) with traditional owners to discuss needs in the community, JV operations and its future plans.

In New Zealand, the operator arranged cultural awareness training organised for team members to create a culturally safe environment. The sessions were delivered by local Indigenous business Tainuku Limited.

The Kupe Production Station operation involves local hapū and iwi in site visits and emergency training exercises.

The Kupe Phase 2 Development inlet compressor project included management of archaeological features. First Aid training was provided with Ngāti Manuhiakai hapū at Te Aroha marae. The Kupe P2D drilling program has included hapū and iwi in reviewing marine consent applications, and cultural impact assessments.

Partnership in practice

As ahi kā in the Kupe rohe, Ngāti Manuhiakai kaitiaki have connections to the land, the people and history.

During the operator's 2022 Kupe annual loss of containment exercise an invitation was extended to Ngāti Manuhiakai hapū chairperson to attend and take part.

This exercise ensures the operator is compliant with emergency response procedure, identifies learning outcomes, tests equipment providers, and ensures communications information is ready.

In advance the hapū chairperson reviewed the Offshore Spill Response Plan, providing valuable feedback. The chairperson played an active role in the scenario, staying in the emergency response room and was involved for the duration of the scenario.

It was a valuable experience for everyone involved in sharing information and giving confidence about systems and processes.

GRI content Index

Location key:
SR = this Sustainability Report
AR = 2022 NZO Annual Report

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	SR p48 AR p30
	2-2 Entities included in the organization's sustainability reporting	SR p6
	2-3 Reporting period, frequency and contact point	Annually. Enquiries@nzog.com
	2-4 Restatements of information	Nil for this report
	2-5 External assurance	Nil for this report
	2-6 Activities, value chain and other business relationships	SR pp8-11 AR Segment note 3, p70
	2-7 Employees	SR p35
	2-8 Workers who are not employees	N/A
	2-9 Governance structure and composition	AR pp30-35 and pp38-46
	2-10 Nomination and selection of the highest governance body	AR p45
	2-11 Chair of the highest governance body	AR p31
	2-12 Role of the highest governance body in overseeing the management of impacts	AR pp38-46
	2-13 Delegation of responsibility for managing impacts	AR pp40-41
	2-14 Role of the highest governance body in sustainability reporting	SR pp20-21
	2-15 Conflicts of interest	AR pp34-35, 37 and 46
	2-16 Communication of critical concerns	Whistleblower policy: https://www.nzog.com/dmsdocu-ment/download/643
	2-17 Collective knowledge of the highest governance body	AR p46
	2-18 Evaluation of the performance of the highest governance body	AR p41
	2-19 Remuneration policies	AR pp59-60
	2-20 Process to determine remuneration	AR pp44, 59-60,
	2-21 Annual total compensation ratio	N/A
	2-22 Statement on sustainable development strategy	SR pp38-42
	2-23 Policy commitments	SR pp24-25 and https://www.nzog.com/investor-information/shareholders-information/corporate-governance/?start=0
	2-24 Embedding policy commitments	https://www.nzog.com/investor-information/shareholders-information/corporate-governance/?start=0
	2-25 Processes to remediate negative impacts	SR pp32-35

GRI STANDARD	DISCLOSURE	LOCATION
	2-26 Mechanisms for seeking advice and raising concerns	https://www.nzog.com/investor-information/shareholders-information/corporate-governance/?start=0
	2-27 Compliance with laws and regulations	Code of Business Conduct and Ethics https://www.nzog.com/dmsdocument/download/642
	2-28 Membership associations	SR p18
	2-29 Approach to stakeholder engagement	SR p16
	2-30 Collective bargaining agreements	N/A
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR pp16-17
	3-2 List of material topics	SR p17
	3-3 Management of material topics	SR pp18-19 and 24-27
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	pp 14-15 and Half Year report https://www.nzog.com/dmsdocument/download/666
	201-2 Financial implications and other risks and opportunities due to climate change	SR pp26-27
	201-3 Defined benefit plan obligations and other retirement plans	N/A
	201-4 Financial assistance received from government	Nil
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A
	202-2 Proportion of senior management hired from the local community	100%
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	pp41-42
	203-2 Significant indirect economic impacts	pp41
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	N/A. Capturing Local Economic Benefits Policy https://www.nzog.com/dmsdocument/download/486
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Code https://www.nzog.com/dmsdocument/download/642
	205-2 Communication and training about anti-corruption policies and procedures	Code https://www.nzog.com/dmsdocument/download/642
	205-3 Confirmed incidents of corruption and actions taken	Nil incidents
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Nil
GRI 207: Tax 2019	207-1 Approach to tax	AR pp74-75
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Emissions reported SR pp30-31

GRI STANDARD	DISCLOSURE	LOCATION
	302-2 Energy consumption outside of the organization	Emissions reported SR pp30-31
	302-3 Energy intensity	Emissions reported SR pp30-31
	302-4 Reduction of energy consumption	Emissions reported SR pp30-31
	302-5 Reductions in energy requirements of products and services	Emissions reported SR pp30-31
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	N/A
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	N/A
	304-3 Habitats protected or restored	SR pp32-33, 44-45
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR pp30-31
	305-2 Energy indirect (Scope 2) GHG emissions	SR pp30-31
	305-3 Other indirect (Scope 3) GHG emissions	N/A
	305-4 GHG emissions intensity	SR pp30-31
	305-5 Reduction of GHG emissions	SR pp30-31
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	N/A
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	N/A
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR pp34-35
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A
	401-3 Parental leave	SR pp34-35
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	N/A
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health & Safety Policy https://www.nzog.com/dmsdocument/download/492
	403-8 Workers covered by an occupational health and safety management system	100%

GRI STANDARD	DISCLOSURE	LOCATION
	403-9 Work-related injuries	Nil
	403-10 Work-related ill health	N/A
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	N/A
	404-2 Programs for upgrading employee skills and transition assistance programs	SR p40
	404-3 Percentage of employees receiving regular performance and career development reviews	100%
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR pp34-35
	405-2 Ratio of basic salary and remuneration of women to men	N/A
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Nil
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Nil
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Nil
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Nil
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	SR pp46-47
	413-2 Operations with significant actual and potential negative impacts on local communities	Nil
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	N/A
	414-2 Negative social impacts in the supply chain and actions taken	N/A
GRI 415: Public Policy 2016	415-1 Political contributions	Nil

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Management commentary
(no financial statements)

Consolidated Financial Statements

For the year ended 30 June 2023

Authorised on behalf of the New Zealand Oil & Gas Limited
Board of Directors on 30 August 2023:



Samuel Kellner
Director



Rosalind Archer
Director

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

NZ\$000	Notes	2023	2022
Cash flows from operating activities			
Customer receipts		87,011	79,507
Production and marketing payments		(31,391)	(22,941)
Supplier and employee payments (inclusive of GST)		(10,534)	(10,784)
Interest received		872	134
Income tax paid		(7,370)	(7,471)
Royalties paid		(7,018)	(4,267)
Other		882	(2,704)
Net cash inflow from operating activities		32,452	31,474
Cash flows from investing activities			
Exploration and evaluation expenditure		(12,070)	(9,071)
Oil and gas asset expenditure		(24,678)	(10,008)
Prospects acquired (net of cash)		-	(33,328)
Deferred consideration		(22,160)	(10,596)
Security deposits and bonds		(1,239)	(446)
Property, plant and equipment expenditure		(117)	(126)
Net cash outflow from investing activities		(60,264)	(63,575)
Cash flows from financing activities			
Proceeds from issues of equity securities		-	24,982
Lease liabilities principal element payments		(249)	(231)
Net cash (outflow)/inflow from financing activities		(249)	24,751
Net decrease in cash and cash equivalents		(28,061)	(7,350)
Cash and cash equivalents at the beginning of the year		64,590	70,759
Exchange rate effects on cash and cash equivalents		(149)	1,181
Cash and cash equivalents at the end of the year	9	36,380	64,590

The notes to the financial statements are an integral part of these financial statements

Consolidated Statement of Cash Flows continued

Reconciliation of profit for the year to net cash inflow from operating activities

NZ\$000	2023	2022
Profit for the year	19,079	25,724
Depreciation and amortisation	15,396	13,708
Deferred tax benefit	(5,284)	(11,480)
Contract liabilities non-cash	(4,897)	(4,007)
Exploration expenditure	9,128	6,015
Emissions costs settled by units	202	902
Net foreign exchange differences	837	233
Unwind of discount	2,759	72
Share based payments	418	670
Lease payments in financing	260	250
Other	260	32
Change in operating assets and liabilities		
Movement in receivables	(4,075)	(7,248)
Movement in contract assets	(3,586)	2,032
Movement in inventories	51	(405)
Movement in payables	407	4,216
Movement in provisions	42	51
Movement in tax payable	1,455	709
Net cash inflow from operating activities	32,452	31,474

The notes to the financial statements are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2023

NZ\$000	Notes	2023	2022
Revenue	4	98,784	83,806
Operating costs	5	(35,117)	[24,213]
Exploration and evaluation expenditure		(9,128)	[6,015]
Other income	4	1,008	489
Other expenses	6	(12,447)	[14,310]
Profit from operating activities excluding amortisation, impairment and net finance costs		43,100	39,757
Amortisation of production assets	14	(15,178)	[13,634]
Net finance [costs]/income	7	(686)	452
Profit before income tax and royalties		27,236	26,575
Income tax [expense]/benefit	8	(4,101)	3,211
Royalties expense	8	(4,056)	[4,062]
Profit for the year		19,079	25,724
Profit for the year attributable to:			
Profit attributable to shareholders		10,757	17,159
Profit attributable to non-controlling interest [NCI]		8,322	8,565
Profit for the year		19,079	25,724
Other comprehensive income:			
Items that may be classified to profit or loss			
Foreign currency translation reserve [FCTR] differences	20	(901)	5,672
Asset revaluation reserve	20	(1,408)	1,045
Total other comprehensive income for the year		16,770	32,441
Total comprehensive income for the year is attributable to:			
Equity holders of the Group		7,936	23,265
Non-controlling interest		8,834	9,176
Total comprehensive income for the year		16,770	32,441
Earnings per share			
Basic earnings per share attributable to shareholders [cents]	22	4.7	9.9
Diluted earnings per share attributable to shareholders [cents]	22	4.7	9.9

The notes to the financial statements are an integral part of these financial statements.

Consolidated Statement of Financial Position

For the year ended 30 June 2023

NZ\$'000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	9	36,380	64,590
Receivables and prepayments	10	17,017	12,544
Contract assets		5,567	2,032
Inventories		2,668	2,762
Right of use assets		130	131
Total current assets		61,762	82,059
Non-current assets			
Exploration and evaluation assets	13	2,625	7,193
Oil and gas assets	14	183,015	173,926
Property, plant and equipment		148	214
Right of use assets		343	300
Other intangible assets		1,423	2,896
Net deferred tax assets	8	13,663	8,420
Other financial assets	15	8,307	7,347
Total non-current assets		209,524	200,296
Total assets		271,286	282,355
LIABILITIES			
Current liabilities			
Payables	16	12,171	16,493
Lease provisions		268	267
Contract liabilities	17	2,837	5,625
Deferred consideration		817	23,225
Current tax liabilities	8	4,349	2,873
Total current liabilities		20,442	48,483
Non-current liabilities			
Rehabilitation provisions	18	55,115	51,856
Contract liabilities	17	15,708	19,231
Deferred consideration		-	149
Lease provisions		261	234
Total non-current liabilities		71,084	71,470
Total liabilities		91,526	119,953
Net assets		179,760	162,402
EQUITY			
Share capital	19	236,883	236,883
Reserves	20	9,215	11,639
Retained losses		(88,930)	(99,877)
Attributable to shareholders of the Group		157,168	148,645
Non-controlling interest in subsidiaries		22,592	13,757
Total equity		179,760	162,402
Net asset backing per share (cents)	21	79.1	71.4
Net tangible asset backing per share (cents)	21	71.3	63.3

Financial statements

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

NZ\$000	Share capital	Reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 30 June 2021	211,901	4,961	(117,543)	99,319	4,580	103,899
Profit for the year	-	-	17,159	17,159	8,565	25,724
Foreign currency translation differences	-	5,060	-	5,060	612	5,672
Shares issued	24,982	-	-	24,982	-	24,982
Share based compensation expense	-	673	-	673	-	673
Forfeited and expired ESOP awards	-	(100)	100	-	-	-
Asset revaluation reserve	-	1,045	407	1,453	-	1,453
Balance as at 30 June 2022	236,883	11,639	(99,877)	148,645	13,757	162,402
Profit for the year	-	-	10,757	10,757	8,322	19,079
Foreign currency translation differences	-	(1,414)	-	(1,414)	513	(901)
Share based compensation expense	-	418	-	418	-	418
Forfeited and expired ESOP awards	-	(20)	20	-	-	-
Asset revaluation reserve	-	(1,408)	170	(1,238)	-	(1,238)
Balance as at 30 June 2023	236,883	9,215	(88,930)	157,168	22,592	179,760

The notes to the financial statements are an integral part of these financial statements

Notes to the Financial Statements for Year Ended 30 June 2023

1 Basis of accounting

Reporting entity

New Zealand Oil & Gas Limited (NZO) is a company domiciled in New Zealand, registered under the Companies Act 1993 and listed on the Australian Stock Exchange (ASX) and the New Zealand Stock Exchange (NZX) as a foreign exempt listing. The Group is a Financial Markets Conduct (FMC) reporting entity for the purposes of the FMC Act 2013.

The financial statements presented are for NZO, its subsidiaries and the interests in associates and jointly controlled operations (together referred to as the "Group").

The ultimate parent company is O.G. Oil & Gas (Singapore) Pte. Limited ("OGOG"), a company incorporated in Singapore, which is a subsidiary and part of the O.G. Energy Holdings Ltd. ("OGE") Group.

Comparative figures have been adjusted to conform to changes in presentation for the current reporting period.

Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practices ("NZ GAAP") and the Financial Reporting Act 2013. They comply with the NZ equivalents to International Financial Reporting Standards ("NZ IFRS") as appropriate for profit-oriented entities, and with International Financial Reporting Standards ("IFRS").

The presentation and reporting currency used in the preparation of the financial statements is New Zealand dollars (NZD or \$) rounded to the nearest thousand unless otherwise stated. The financial statements are prepared on a goods and services tax (GST) exclusive basis except billed receivables and payables which include GST.

These financial statements are prepared on the basis of historical cost except where otherwise stated in specific accounting policies contained in the accompanying notes.

Basis of consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that control ceases. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements. Intra-group balances, transactions, unrealised income or expenses arising from intra-group transactions and dividends are eliminated in preparing the Group financial statements. A list of subsidiaries and associates is shown in note 11.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in the statement of comprehensive income and held in equity reserves as qualifying cash flow hedges and qualifying net investment hedges. Translation differences on non-monetary items, such as equities classified as fair value through other comprehensive income, are included in the statement of comprehensive income and held in the fair value reserves in equity.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

- **Recoverability of deferred tax assets**, assessment of the ability of entities in the Group to generate future taxable income [refer to note 8].
- **Recoverability of exploration and evaluation assets and oil and gas assets**. Assessment includes future commodity prices, future cash flows, estimated discount rates and estimates of reserves. Management performs an assessment of the carrying value of investments at each reporting date and considers objective evidence for impairment on each investment, taking into account observable data on the investment, the fair value, the status or context of capital markets, its own view of investment value and its long-term intentions [refer to notes 13 and 14].
- **Provision for rehabilitation obligations** includes estimates of future costs, timing of required rehabilitation and an estimated discount rate [refer to note 18].

The ongoing geo-political tensions in Eastern Europe have caused ongoing volatility and uncertainty around the breadth and duration of business disruption in both domestic and international markets. Consequently, demand for products and commodity prices have fluctuated and costs associated with exploration and development projects are increasing.

3 Segment information

Operating segments' operating results are reviewed regularly by the Group's chief executive officer (CEO), the entity's chief decision maker, and have discrete financial information available. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The following summaries describe the activities within each of the reportable operating segments:

- **Perth Basin (from 20 March 2023)**: Exploration interests in Western Australian comprising the L7 Production licence [L7] and EP437 Exploration Permit [EP437]. Refer to note 13.
- **Kupe oil & gas field (Kupe)**: Development, production, and sale of natural gas, liquified petroleum gas (LPG) and condensate (light oil), located in the offshore Taranaki Basin, New Zealand.
- **Amadeus Basin oil & gas fields (from 1 October 2021)**: Comprising NZO's share of the Mereenie oil and gas field, Palm Valley gas field and Dingo gas field, all located in the Amadeus Basin in Australia. Cue Energy Resources Limited ("Cue"), a partially owned subsidiary of NZO, holds a participating interest in the Amadeus Basin assets, these are included in the Cue segment below.
- **Other and unallocated**: Unallocated items comprise corporate assets, corporate overheads, merger and acquisition expenditure, and income tax assets and liabilities.
- **Cue Energy Resources Limited**: The Group acquired a controlling interest in Cue during the 2015 financial year and from 1 October 2021 this segment includes Cue's participating interest in the Amadeus Basin assets.

3 Segment information (continued)

2023 \$000	Perth Basin	Kupe oil & gas field	Amadeus Basin oil & gas fields	Other & unallocated	Cue Energy Resources Ltd	Total
Sales to external customers - NZ	-	9,548	-	-	-	9,548
Sales to external customers - Australia	-	-	30,272	-	12,933	43,205
Sales to external customers - other countries	-	2,612	-	-	43,419	46,031
Total sales revenue	-	12,160	30,272	-	56,352	98,784
Other income/[expense]	-	-	3	1,622	[617]	1,008
Total sales revenue and other income	-	12,160	30,275	1,622	55,735	99,792
Segment result	[243]	6,332	6,430	[7,641]	23,044	27,922
Other net finance expense						[686]
Profit before income tax and royalties						27,236
Income tax and royalties expense						[8,157]
Profit for the year						19,079
Segment assets	2,214	28,279	85,864	34,867	120,062	271,286
Segment liabilities	-	12,726	30,834	2,020	45,946	91,526
Included in segment results:						
Depreciation and amortisation expenses	-	3,259	5,401	258	6,649	15,567

2022 \$000	Kupe oil & gas field	Amadeus Basin oil & gas fields	Other & unallocated	Cue Energy Resources Ltd	Total
Sales to external customers - NZ	12,665	-	-	-	12,665
Sales to external customers - Australia	-	20,561	-	8,812	29,373
Sales to external customers - other countries	3,020	-	-	38,748	41,768
Total sales revenue	15,685	20,561	-	47,560	83,806
Other income/[expense]	-	[11]	500	-	489
Total sales revenue and other income	15,685	20,550	500	47,560	84,295
Segment result	9,307	3,994	[10,304]	23,126	26,123
Other net finance expense					452
Profit before income tax and royalties					26,575
Income tax and royalties expense					[851]
Profit for the year					25,724
Segment assets	30,303	87,690	53,670	110,692	282,355
Segment liabilities	13,380	53,855	2,567	50,151	119,953
Included in segment results:					
Depreciation and amortisation expenses	3,869	4,000	216	5,873	13,958

4 Revenue

Sales comprise revenue earned from the sale of petroleum products, when control of ownership of the petroleum products have been transferred to the buyer, which will vary depending on the contract [e.g. at the plant or at the port]. Revenue is recognised at the fair value of the consideration received net of the amount of GST.

[a] Revenue from contracts with customers

\$000	2023	2022
Crude oil and condensate	37,983	33,954
Natural gas and LPG	60,801	49,852
Total revenue from contracts with customers	98,784	83,806
Other income	1,008	489
Total revenue and other income	99,792	84,295

[b] Tariffs included in revenue

Natural gas revenue includes an allowance for the additional transportation costs incurred when the gas delivery point is not at the plant. The cost of the transportation was \$1.4 million (2022: \$0.3 million).

[c] Major Customers

Customers with revenue exceeding 10% of the Group's total hydrocarbon sales revenue are shown below.

\$000	2023	% of sales revenue
First largest	20,434	20.7%
Second largest	12,551	12.7%
Third largest	10,384	10.5%
Fourth largest	-	-
Total revenue from major customers	43,369	43.9%

\$000	2022	% of sales revenue
First largest	15,965	19.0%
Second largest	13,003	15.5%
Third largest	9,815	11.7%
Fourth largest	8,367	10.0%
Total revenue from major customers	47,150	56.2%

5 Operating Costs

\$000	2023	2022
Production and sales marketing costs	28,828	22,005
Workover expenditure	2,025	-
Carbon emissions expenditure	376	902
Insurance expenditure	921	912
Movement in inventory	988	[341]
Royalties (i)	1,979	735
Total operating costs	35,117	24,213

(i) Royalties include private royalties with respect to the Amadeus Basin assets and Government royalties at the Maari oil field which are based on a gross revenue method of calculation.

6 Other expenses

\$000	2023	2022
CLASSIFICATION OF OTHER EXPENSES BY NATURE		
Audit fees paid to the Group auditor - KPMG	603	492
Directors' fees	390	381
Legal fees	169	931
Consultants' fees	874	920
Employee expenses	6,869	5,760
Depreciation	389	324
Share based payment expense	418	673
IT and software expenses	1,189	867
Registry and stock exchange fees	331	401
Stamp duty on Amadeus Basin acquisition	-	2,310
Other	1,215	1,251
Total other expenses	12,447	14,310

\$000	2023	2022
FEES PAID TO THE GROUP AUDITOR		
Audit and review of financial statements	603	492
Tax compliance services	125	108
Tax advisory services	324	98
Other assurance services	-	42
Total fees paid to Group auditor	1,052	740

7 Finance income and costs

\$000	2023	2022
Bank fees	[46]	[22]
Unwind of discount	[1,971]	[82]
Total finance costs	[2,017]	[104]
Interest income	1,119	146
Exchange gains on foreign currency balances	212	410
Total finance income	1,331	556
Net finance (costs)/income	[686]	452

8 Taxation

Current and deferred tax is calculated on the basis of the laws enacted or substantively enacted at balance date.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Current and deferred tax are recognised in profit or loss except when the tax relates to items recognised in other comprehensive income, in which case the tax is also recognised in other comprehensive income.

\$000	2023	2022
INCOME TAX (EXPENSE)/BENEFIT		
Current tax	[9,385]	[8,269]
Deferred tax	5,284	11,480
[a] Total income tax (expense)/benefit	[4,101]	3,211
INCOME TAX (EXPENSE)/BENEFIT CALCULATION		
(Profit)/loss before income tax and royalties	[27,236]	[26,575]
Less: royalties expense	4,056	4,062
(Profit)/loss before income tax	[23,180]	[22,513]
Tax at the New Zealand tax rate of 28%	[6,490]	[6,433]
Tax effect of amounts which are (not deductible)/taxable:		
Difference in overseas tax rate	[2,153]	[3,449]
Non-deductible expenses	[43]	82
Foreign exchange adjustments	212	5
Unrealised timing differences	2,478	662
Unrecognised tax losses	-	[1,255]
Recognition of deferred (liabilities)/tax assets	2,101	3,011
Prior year tax losses (not recognised)/recognised	[719]	7,982
Other	589	2,928
Total tax effect of amounts which are (not deductible)/taxable:	[4,025]	3,533
Adjustment recognised for current tax in prior years	[76]	[322]
Total income tax (expense)/benefit	[4,101]	3,211

Government royalty expenses incurred by the Group relate to petroleum royalty payments to the New Zealand and Australian Governments in respect of the Kupe and Amadeus oil and gas fields, and are recognised on an accrual basis.

At 30 June 2023, no imputation credits were held for subsequent years [2022: nil].

(b) Current tax liabilities

\$000	2023	2022
Current tax liabilities	4,349	2,873

The Group has an ongoing Indonesian Tax matter relating to a notice of amended assessment which is being disputed by Cue. Cue is indemnified for any losses arising from this disputed notice of assessment and has recognised a liability and receivable on the balance sheet.

(c) Deferred tax

Deferred taxation is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and future tax benefits are recognised where realisation of the asset is probable. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse.

The utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing temporary differences. As at 30 June 2023 the Group have accumulated losses in New Zealand of \$162 million [30 June 2022: \$141 million], together with unclaimed tax deductions for production and development expenditure incurred previously. The Group has not recognised a New Zealand deferred tax asset as under current oil price assumptions it is not expected that sufficient future taxable profits will be generated. The future availability of accumulated tax losses remains subject to the Group satisfying the relevant business and shareholder continuity requirements for each jurisdiction.

The Group has not recognised a deferred tax asset of \$83.5 million at 30 June 2023 [30 June 2022: \$39.7 million] relating to carried forward Australian tax losses, as the probability of being able to utilise these is uncertain.

Deferred tax assets and liabilities are disclosed on a net basis in respect of their tax jurisdictions.

\$000	2023	2022
THE BALANCE COMPRISES TEMPORARY DIFFERENCES ATTRIBUTABLE TO:		
Deferred Tax Assets		
Non-deductible provisions	9,905	12,565
Carried forward tax losses	22,899	11,734
Other	558	1,074
Total deferred tax assets	33,362	25,373
Deferred Tax Liabilities		
Oil & gas assets	[19,676]	[16,853]
Other items [including lease assets]	[23]	[100]
Total deferred tax [liabilities]	[19,699]	[16,953]
Net deferred tax assets / [liabilities]	13,663	8,420
MOVEMENTS:		
Opening balance at the beginning of the year	8,420	[3,391]
Recognised in profit and loss	5,284	11,480
Recognised in other comprehensive income	[41]	331
Closing balance at end of year	13,663	8,420

9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, short-term deposits and deposits on call with an original maturity of three months or less.

\$000	2023	2022
Cash at bank and in hand	28,969	63,852
Deposits at call	2,364	10
Short term deposits	4,448	98
Share of oil and gas interests' cash	599	630
Total cash and cash equivalents at end of year	36,380	64,590

2023 by currency:	Base Currency	NZD Equivalent
New Zealand dollar	5,745	5,745
United States dollar	6,286	10,297
Australian dollar	18,637	20,273
Indonesian rupiah	596,896	65
Total cash and cash equivalents at end of year		36,380

2022 by currency:	Base Currency	NZD Equivalent
New Zealand dollar	23,448	23,448
United States dollar	4,527	7,268
Australian dollar	30,603	33,864
Indonesian rupiah	97,677	11
Total receivables and prepayments at end of year		64,590

10 Receivables and prepayments

\$000	2023	2022
Trade receivables	7,196	6,394
Share of oil and gas interests' receivables	9,262	5,617
Prepayments	559	533
Total receivables and prepayments at end of year	17,017	12,544

2023 by currency:	Base Currency	NZD Equivalent
New Zealand dollar	1,687	1,687
United States dollar	7,166	11,738
Australian dollar	3,294	3,584
Indonesian rupiah	72,651	8
Total receivables and prepayments at end of year		17,017

2022 by currency:	Base Currency	NZD Equivalent
New Zealand dollar	1,590	1,590
United States dollar	4,219	6,776
Australian dollar	3,769	4,170
Indonesian rupiah	71,451	8
Total receivables and prepayments at end of year		12,544

11 Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it has power over the entity, has exposure or rights to variable returns from this involvement and when it has the ability to use its power to affect the amount of the returns

At 30 June 2023 the Group held a 50.04 per cent interest in Cue (30 June 2022: 50.04 per cent). Cue entities below reflect the Group's 50.04 per cent interest in Cue subsidiaries.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position respectively.

The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the subsidiaries within the Group are shown below.

The consolidated financial statements incorporate the assets, liabilities and results of the following entities:

Name of entity	Country of incorporation	Equity Holding 2023	Equity Holding 2022	Functional Currency
New Zealand Oil & Gas				
Australia and New Zealand Petroleum Limited	New Zealand	100%	100%	NZD
NZOG Onshore Limited	New Zealand	100%	100%	NZD
NZOG Canterbury Limited	New Zealand	100%	100%	NZD
NZOG 2013 O Limited	New Zealand	100%	100%	NZD
NZOG Bohorok Pty Limited	Australia	100%	100%	USD
NZOG Devon Limited	New Zealand	100%	100%	NZD
NZOG GNA Trustee Limited	New Zealand	100%	100%	NZD
NZOG 2013 T Limited	New Zealand	100%	100%	NZD
NZOG Energy Limited	New Zealand	100%	100%	NZD
NZOG Offshore Limited	New Zealand	100%	100%	NZD
NZOG Pacific Holdings Pty Limited	Australia	100%	100%	AUD
NZOG Pacific Limited	New Zealand	100%	100%	NZD
NZOG Services Limited	New Zealand	100%	100%	NZD
NZOG Taranaki Limited	New Zealand	100%	100%	NZD
Petroleum Resources Limited	New Zealand	100%	100%	NZD
NZOG MNK Bohorok Pty Limited	Australia	100%	100%	USD
NZOG [Ironbark] Pty Limited	Australia	100%	100%	AUD
NZOG Mereenie Pty Limited	Australia	100%	100%	AUD
NZOG Palm Valley Pty Limited	Australia	100%	100%	AUD
NZOG Dingo Pty Limited	Australia	100%	100%	AUD
NZOG Acacia Pty Limited*	Australia	100%	-	AUD
NZOG Compass Pty Limited**	Australia	100%	-	AUD

* Incorporated on the 13 March 2023.

** Incorporated on the 14 March 2023.

11 Investments in subsidiaries (continued)

Name of entity	Country of incorporation	Equity Holding 2023	Equity Holding 2022	Functional Currency
Cue Energy Resources				
Cue Energy Resources Limited	Australia	50.04%	50.04%	AUD
Cue Mahakam Hilir Pty Ltd	Australia	50.04%	50.04%	AUD
Cue [Ashmore Cartier] Pty Ltd	Australia	50.04%	50.04%	AUD
Cue Sampang Pty Ltd	Australia	50.04%	50.04%	USD
Cue Taranaki Pty Ltd	Australia	50.04%	50.04%	USD
Cue Kalimantan Pte Ltd	Singapore	50.04%	50.04%	USD
Cue Mahato Pty Ltd	Australia	50.04%	50.04%	USD
Cue Exploration Pty Ltd	Australia	50.04%	50.04%	AUD
Cue Palm Valley Pty Ltd	Australia	50.04%	50.04%	AUD
Cue Mereenie Pty Ltd	Australia	50.04%	50.04%	AUD
Cue Dingo Pty Ltd	Australia	50.04%	50.04%	AUD

12 Oil and gas interests

The Group has interests in a number of joint arrangements which are classified as joint operations. The Group financial statements include a proportionate share of the oil and gas interests' assets, liabilities, revenue, and expenses with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

The Group held the following oil and gas production, exploration and evaluation, and appraisal interests at the end of the year:

Name	Entity	Country of permit	Interest 2023	Interest 2022
NEW ZEALAND OIL & GAS				
PML 38146 – Kupe	NZOG Taranaki Ltd	New Zealand	4.0%	4.0%
OL4 and OL5 – Mereenie	NZOG Mereenie Pty Ltd	Australia	17.5%	17.5%
OL3 – Palm Valley	NZOG Palm Valley Pty Ltd	Australia	35.0%	35.0%
L 7 – Dingo	NZOG Dingo Pty Ltd	Australia	35.0%	35.0%
L7 Production licence*	NZOG Acacia Pty Ltd	Australia	25.0%	-
EP437 Exploration Permit*	NZOG Compass Pty Ltd	Australia	25.0%	-
CUE ENERGY RESOURCES **				
Mahato PSC	Cue Mahato Pty Ltd	Indonesia	12.5%	12.5%
PMP 38160 – Maari	Cue Taranaki Pty Ltd	New Zealand	5.0%	5.0%
Sampang PSC	Cue Sampang Pty Ltd	Indonesia	15.0%	15.0%
OL4 and OL5 – Mereenie	Cue Mereenie Pty Ltd	Australia	7.5%	7.5%
OL3 – Palm Valley	Cue Palm Valley Pty Ltd	Australia	15.0%	15.0%
L7 – Dingo	Cue Dingo Pty Ltd	Australia	15.0%	15.0%

* Subject to regulatory approval.

**Represents the percentage interest held by Cue. The Group interest is 50.04% (June 2022: 50.04%) of the Cue interest.

13 Exploration and evaluation assets

The Group uses the successful efforts method of accounting for oil and gas exploration costs. All general exploration and evaluation costs are expensed as incurred except the direct costs of acquiring the rights to explore, drilling exploratory wells, and evaluating the results of drilling. These direct costs are capitalised as exploration and evaluation assets pending the determination of the success of the well. If a well does not result in a successful discovery, the previously capitalised costs are immediately expensed.

Key judgement: recoverability of exploration and evaluation assets

Assessment of the recoverability of capitalised exploration and evaluation expenditure requires certain estimates and assumptions to be made for future events and circumstances, particularly in relation to whether economic quantities of reserves that have been discovered. Therefore, such estimates and assumptions may change as new information becomes available. If it is concluded that the carrying value of an exploration and evaluation asset is unlikely to be recovered by future development or sale, the relevant amount is then expensed in the profit and loss.

Capitalised exploration and evaluation assets, including expenditure to acquire mineral interests in oil and gas properties, related to wells that find proven reserves are classified as development assets within oil and gas assets at the time of sanctioning the development project.

\$000	2023	2022
Opening balance	7,193	-
Exploration expenditure incurred during the year	7,336	6,957
Expenditure transferred to oil and gas assets relating to PV-12	[11,318]	-
Revaluation of foreign currency exploration and evaluation assets	[586]	236
Total exploration and evaluation assets at end of year	2,625	7,193

On 17 April 2022, the Palm Valley 12 (PV-12) well was spudded. On 10 July 2022, after challenging drilling conditions, the Joint Venture decided to stop drilling towards the deep Arumbera exploration target. Instead, it was agreed to side-track a lateral well-bore, from PV- 12, to evaluate the lower Pacoota (P2) / Pacoota (P3) sandstone. On 22 August 2022, the Group announced the decision to curtail further drilling in the lower P2 and P3 side-track due to the combination of the presence of formation water and no significant gas shows.

On 5 September 2022, the Joint Venture commenced drilling of a second side-track (ST2) lateral well bore to evaluate the Pacoota 1 sandstone, the current producing zone of the wells in Palm Valley. On 17 October 2022, the Group announced that the PV-12 ST2 would be completed as a gas producing well, to be tied-in and flowing into the existing gas field network. On 28 November 2022 the PV- 12 well was tied-in and commenced flow testing.

Total PV-12 exploration costs of \$14.5 million have been expensed in respect of the unsuccessful sections of the well. In accordance with the Group's accounting policy \$7.8 million was expensed in the current year and \$6.7 million was expensed in the year ended 30 June 2022.

The costs of drilling the successful ST2 production well of \$11.3 million have been transferred to Oil and gas assets in the balance sheet. Refer to note 14.

Following year end, on 27 July 2023 the Group announced an upgrade in reserves at the Palm Valley as a result of the PV-12 exploration activity. Refer to note 27.

On 17 January 2023, the Group announced that it had executed a binding term sheet with ASX listed energy company, Triangle Energy (Global) Ltd (Triangle) (ASX: TEG). The Farm-Out Agreement (FOA) provides the Group with a 25% participating interest in the onshore Western Australian L7 production licence and EP437 exploration permit. The Group will contribute upfront costs of \$2.1 million and participate in the drilling of 3 onshore exploration wells, providing a carry to Triangle capped at \$3.9 million.

The transaction is treated as an asset acquisition in line with NZ IFRS 6, with an acquisition date of 20 March 2023, which is when the Group entered into the FOA with Triangle and assumed control of the assets. Upfront costs of \$2.1 million, relating to seismic work already carried out, have been recognised as an exploration asset.

The agreed carry of Triangle's drilling costs of \$3.9 million is disclosed in the Commitment note. Refer to note 26. Acquisition related costs of \$0.2 million are capitalised in line with IFRS 6.

14 Oil and gas assets

Development

Development assets include construction, installation and completion of infrastructure facilities such as pipelines and development wells. No amortisation is provided in respect of development assets until they are reclassified as production assets.

Production assets

Production assets capitalised represent the accumulation of all development expenditure incurred by the Group in relation to areas of interest in which petroleum production has commenced. Expenditure on production areas of interest and any future estimated expenditure necessary to develop proven and probable reserves are amortised using the units of production method on a basis consistent with the recognition of revenue. Where it is possible to separately identify tangible assets, they are depreciated on a straight line basis in line with their economic life.

Subsequent costs

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial year in which they are incurred.

Impairment

The carrying value is assessed for impairment each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss, and in respect of cash generating units, are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing recoverable amount, the estimated future cash flows are discounted to their present value using a post-tax discount rate, that reflects current market assessments of the time value of money, and the risks specific to the asset.

Impairment losses recognised in prior years are reassessed at each reporting date and the loss is reversed if there

has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously.

\$000	2023	2022
Opening balance	173,926	53,477
Additions through acquisition of Amadeus Basin assets	-	118,576
Make up gas forfeited	[1,263]	-
Expenditure capitalised	13,664	8,017
Expenditure transferred from Exploration and evaluation [refer to note 13]	11,318	-
Amortisation for the year	[15,178]	[13,634]
Rehabilitation provision movement [refer to note 18]	1,838	[455]
Revaluation of foreign currency oil and gas assets	[1,290]	7,945
Total oil and gas assets at end of year	183,015	173,926

At 30 June 2023, the Group assessed each asset to determine whether an indicator of impairment existed. Indicators of impairment include changes in future selling prices, future costs, and reserves.

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically extracted from the Groups' oil and gas permits. The Group estimates its reserves based on all available production data, the results of well intervention campaigns, seismic data, analytical and numerical analysis methods, sets of deterministic reservoir simulation models provided by the field operators and analytical and numerical analyses. Forecasts are based on deterministic methods. Reserves are reported in line with the principles contained in the Society of Petroleum Engineers Petroleum Resources Management Reporting System. As the economic assumptions used may change and as additional geological information is obtained during the operation of the field, estimates of recoverable resources may change impacting the Group's financial results.

Estimates of recoverable amounts are based on the assets' fair value less cost to sell, determined by discounting each asset's estimated future cash flows at asset specific discount rates. The discount rates applied ranged from 12.9% to 14.3% (2022: 10%). Commodity price assumptions were based on consensus estimates of forward market prices unless contracted prices were available.

No impairments were required.

15 Other financial assets

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets which are measured at fair value through profit or loss. Such assets are subsequently measured at amortised cost.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

\$000	2023	2022
By financial asset:		
Security deposits	1,787	280
Abandonment and Site Restoration Fund [ASR] - Cue Sampang rehabilitation	6,520	7,067
Total other financial assets at end of year	8,307	7,347

\$000	2023	2022
Movement		
Opening balance	7,347	6,276
Security deposits	1,411	280
Abandonment and Site Restoration Fund [ASR] - Cue Sampang rehabilitation	[334]	758
Revaluation of foreign currency financial assets	[117]	33
Total other financial assets at end of year	8,307	7,347

In accordance with legislative obligations in the respective jurisdictions in which the Group operates, contributions are made to funds established for the purpose of financing future rehabilitation and restoration of sites. As at 30 June 2023, \$6.5 million (2022: \$7.0 million) has been contributed to such funds in respect of the Mahato and Sampang assets in Indonesia and \$1.8 million (2022: nil) with the Northern Territory Government in respect of the Amadeus Assets.

16 Payables

\$000	2023	2022
Trade payables	3,096	5,684
Royalties payable	531	973
Share of oil and gas interests' payable	6,650	8,413
Other payables	1,894	1,423
Total payables at end of year	12,171	16,493

By currency \$000:	Base Currency	NZD Equivalent
2023		
New Zealand dollar	4,608	4,608
United States dollar	1,262	2,068
Australian dollar	5,011	5,495
Indonesian rupiah	2,500	-
Total payables at end of year		12,171

2022		
New Zealand dollar	4,712	4,712
United States dollar	508	821
Australian dollar	9,908	10,960
Indonesian rupiah	2,500	-
Total payables at end of year		16,493

17 Contract liabilities

A contract liability is recorded for obligations under sales contracts to deliver natural gas in future periods for which payment has already been received.

\$000	2023	2022
Current	2,837	5,625
Non-current	15,708	19,231
Total contract liabilities	18,545	24,856

The Group has two obligations to deliver gas to third parties which were assumed as part of the acquisition of the Amadeus Basin assets in May 2021.

- The Group assumed performance obligations to deliver gas to a customer by December 2023. In exchange for agreeing to take on this obligation, the Group received a reduction in the initial purchase price.
- The Group assumed performance obligations for the delivery of 'gas not taken' by its sole customer in the Dingo asset. Under the take or pay arrangement, the Group has the obligation to provide 'make up gas' (MUG) within the contractually defined volumes which were not previously taken by the customer. The customer must take the future delivery of gas by 2035. During the year, 150TJs (2022: nil) of the MUG gas was forfeited as contractually it was no longer possible for the customer to take all of the gas volume prior to the end of the contract term. As a result \$1.3 million has been released from Contract liabilities and the Oil and gas asset, these have been netted off in the profit or loss giving a nil impact. Refer to note 14.

During the year, additional MUG accumulated as a result of the sole customer at Dingo taking less than the annual take or pay contracted volume. The receipt relating to the annual take or pay adjustment for gas not delivered was taken to Contract liabilities and is included in operating activities in the Statement of Cashflows.

18 Rehabilitation Provisions

Provisions for rehabilitation have been recognised where the Group has an obligation, as a result of its operating activities, to restore certain sites to their original condition. There is uncertainty in estimating the timing and amount of the future expenditure. The provision is estimated based on the present value of the expected expenditure. The initial provision and subsequent re-measurement are recognised as part of the cost of the related asset. The unwind of the discount is recognised in finance costs in profit and loss.

\$000	2023	2022
Carrying amount at start of year	51,856	26,088
Change in provision recognised	1,838	(1,445)
Addition in provision from acquisition	-	23,534
Unwind of discount on provision	1,324	82
Revaluation of foreign currency rehabilitation provision	97	3,597
Total rehabilitation provision at end of year	55,115	51,856

The discount rate used is the risk-free interest rate obtained from the country related to the currency of the expected expenditure. The discount rates used to determine the provision ranged from 1.56% to 4.81% (2022: 0.62% to 3.86%).

On 2 December 2021, the NZ Government Crown Minerals Amendment Act 2021 came into effect, addressing issues around decommissioning costs and obligations of all oil and gas fields. This Act requires petroleum permit and licence holders in NZ to be financially assessed and requires provision of security towards future remediation that may be needed to decommission fields, wells, and any infrastructure. The full impact of the newly legislated decommissioning provisions are not yet fully understood given the continuing Crown consultation process regarding permit specific security requirements.

The Maari restoration provision increased by \$4.3 million to \$18.3 million, following an update to the estimated restoration costs.

19 Share capital

	\$000	Number of shares
Balance at 30 June 2022	236,883	227,369
Share capital issued	-	-
Balance at 30 June 2023	236,883	227,369
Comprised of:		
Fully paid shares	236,873	223,951
Partly paid shares	10	3,418
Total shares on issue	236,883	227,369

The Group retains 3.4 million (2022: 3.4 million) of unallocated partly paid shares that have not yet been cancelled. All fully paid shares have equal voting rights and share equally in dividends and equity.

20 Reserves

[a] Reserves

\$000	2023	2022
Asset revaluation reserve	781	2,189
Share based payments reserve	1,757	1,359
Foreign currency translation reserve	6,677	8,091
Total reserves at end of year	9,215	11,639
MOVEMENTS:		
ASSET REVALUATION RESERVE		
Opening balance at 1 July	2,189	1,144
Revaluation of Emissions Trading Scheme (ETS) units for the year	[1,238]	1,452
Disposal of ETS units to retained earnings	[170]	[407]
Closing balance at end of year	781	2,189
SHARE BASED PAYMENTS RESERVE		
Opening balance at 1 July	1,359	786
Share based payment expense for the year	418	673
Forfeited and expired ESOP awards	[20]	[100]
Closing balance at end of year	1,757	1,359
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening balance at 1 July	8,091	3,031
Other foreign currency translation differences for the year	[1,414]	5,060
Closing balance at end of year	6,677	8,091

[b] Nature and purpose of reserves

Asset revaluation reserve

Revaluation gains and losses on ETS units are transferred to the asset revaluation reserve.

Share based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees under the Share Option Scheme and ESOP (Employee Share Option Plan).

Foreign currency translation reserve

Exchange differences arising on translation of companies within the Group with a different functional currency to the Group are taken to the foreign currency translation reserve. The reserve is recognised in other comprehensive income when the net investment is disposed of. The reserve is recognised in other comprehensive income when the net investment is disposed of.

21 Net asset backing per share

	2023	2022
Number of shares on issue (000s)	227,369	227,369
Net assets (\$000s)	179,760	162,402
Net tangible assets (\$000s)	162,103	143,959
Net asset backing per share (cents)	79.1	71.4
Net tangible asset backing per share (cents)	71.3	63.3

The basis for the calculation of the net asset backing per share is the carrying value of the assets held on the Statement of Financial Performance divided by the number of shares on issue at balance date. Calculation of the measure has been revised for the comparable period.

22 Earnings per share

	2023	2022
Profit after tax attributable to the shareholders of NZO (\$000s)	10,757	17,159
Weighted average number of ordinary shares (000s)	227,369	173,393
Weighted average number of ordinary shares including share options (000s)	227,369	173,393
Basic earnings per share attributable to shareholders of the Group (cents)	4.7	9.9
Diluted earnings per share attributable to shareholders of the Group (cents)	4.7	9.9

The potentially dilutive effects of employee share options have not been considered in the diluted profit per share calculation for the year ended 30 June 2023. In the current reporting period, the exercise price of the employee share options are lower than the average market price, therefore are anti-dilutive. Calculation of diluted earnings per share has been revised for the comparable period.

23 Financial risk management

Risk exposure to market, credit, liquidity, capital management, sensitivity, financial instruments arises in the normal course of the Group's business.

[a] Market risk

[i] Foreign exchange risk

The Group is exposed to foreign currency risk on cash and cash equivalents, oil sales, recoverable value of oil and gas assets and capital commitments that are denominated in foreign currencies. The Group manages its foreign currency risk by monitoring its foreign currency cash balances and future foreign currency cash requirements. The Group may enter into foreign currency hedge transactions in circumstances where the risk-adjusted returns to shareholders are enhanced as a consequence.

[ii] Commodity price risk

Commodity price risk is the risk that the Group's sales revenue and recoverable value of oil and gas assets will be impacted by fluctuations in world commodity prices. The Group is exposed to commodity prices through its petroleum interests. The Group may enter into oil price hedge transactions in circumstances where the risk-adjusted returns to shareholders are enhanced as a consequence. The Group had no call option contracts at 30 June 2023 (2022: nil).

[iii] Concentrations of interest rate exposure

The Group has no external bank debt and therefore its main interest rate risk arises from short-term deposits held.

[b] Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate as a means of minimising the risk of financial defaults. Financial instruments which potentially subject the Group to credit risk consist primarily of securities and short-term cash deposits, trade receivables and short-term funding arrangements. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings, with funds required to be invested with a range of separate counterparties. The Group's maximum exposure to credit risk for trade and other receivables is its carrying value.

The Group may be exposed to financial risk if one or more of their joint venture partners is unable to meet their obligation in relation to the rehabilitation costs for jointly owned oil and gas assets. Under the joint venture operating agreement if one or more partners fails to meet their financial obligation, the other partners may become proportionately liable for their share of the financial obligations but would have contractual rights of recovery against the defaulting party.

[c] Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has liquid funds to cover potential shortfalls.

The following table sets out the contractual cash flows for all non-derivative financial liabilities and for derivatives that are settled on a gross cash flow basis:

\$000	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Contractual cash flows
30 JUNE 2023						
Payables	12,171	-	-	-	-	12,171
Total non-derivative liabilities	12,171	-	-	-	-	12,171
30 JUNE 2022						
Payables	16,493	-	-	-	-	16,493
Total non-derivative liabilities	16,493	-	-	-	-	16,493

At 30 June 2023 the Group had no derivatives to settle (2022: nil).

23 Financial risk management (continued)

(d) Capital management

The Group manages its capital through the use of cash flow and corporate forecasting models to determine its future capital requirements and maintains a flexible capital structure which allows access to debt and equity markets to draw upon and repay capital as required. In July 2009 the Group established a Dividend Reinvestment Plan which applies to dividends declared after 29 July 2009. The Group has an adequate capital base and significant cash reserves.

(e) Sensitivity analysis

The Group's reporting result at the end of each year is sensitive to financial risks from fluctuations in interest rates, commodity prices and foreign currency exchange rates. The sensitivity table below shows the impact of exchange rate changes on current assets and liabilities and the impact of interest rate changes on current cash balances.

[\$m]	Risk area	Sensitivity	2023	2022
Impact on Group profit before tax	Exchange rate	+5%	(0.4)	(0.4)
		-5%	0.4	0.4
Impact on foreign currency translation reserves in equity	Exchange rate	+5%	(1.2)	(3.4)
		-5%	1.2	3.4
Impact on interest income	Interest rate	+1%	0.3	0.6
		-1%	(0.3)	(0.6)

(f) Financial instruments by category

\$000	2023 carrying value	2022 carrying value
ASSETS		
Cash and cash equivalents	36,380	64,590
Trade and other receivables	16,458	14,043
Contract assets	5,567	2,032
TOTAL ASSETS	58,405	80,665
LIABILITIES		
Payables	12,171	16,493
TOTAL LIABILITIES	12,171	16,493

The fair value and amortised cost of financial instruments is equivalent to their carrying value.

24 Related party transactions

All transactions and outstanding balances with related parties are in the ordinary course of business on normal trading terms. Any transactions within the Group are eliminated on consolidation.

During the year certain activities were undertaken between the Group and OGE. The inter-group services agreement, which was entered into on 21 June 2019, allows the Group to provide technical services and related activities to OGE. For the year ended 30 June 2023, \$0.7 million (2022: \$0.6 million) of income has been included in 'Other income' in the profit and loss.

In June 2022, NZO granted Cue an unsecured loan of \$7.6 million at an interest rate of 10%. During the year, Cue repaid \$3.3 million to NZO leaving \$4.3 million outstanding at 30 June 2023. Full repayment is due by 30 June 2024.

A number of Directors are also directors of other companies and any transactions undertaken with these entities have been entered into as part of the ordinary business of the Group.

As in previous years, Alastair McGregor, Samuel Kellner, Andrew Jefferies and Marco Argentieri declined to receive compensation for the provision of Directorial services from the Group, nor was any compensation paid to any related parties on their behalf. The deemed compensation shown below reflects the estimated compensation paid by those Directors' employers considered attributable to the company for services provided. The Directorial services provided by Andrew Jefferies for NZO are included in remuneration received as Chief Executive of NZO.

Directors' expenses are reimbursed and are not separately disclosed as they are not material.

The Group's related parties also include key management personnel, which have been defined as the Directors, the Chief Executive and the Executive team for the Group. Key Cue management personnel are included.

\$000	2023	2022
Short term employee benefits	3,922	3,333
Share based payments	249	167
Termination benefits	218	
Post employment benefits	155	107
Key management personnel related costs	4,544	3,607
Deemed Directors' compensation for related party Directors *	439	407
Total key management personnel related costs	4,983	4,014

*Prior year comparatives for Total key management personnel related costs have been updated as a result of the inclusion of Deemed Directors' compensation; this was previously disclosed as nil. The disclosure of Deemed Directors' compensation solely arose from the technical application of required accounting standards. The \$0.4 million is deemed only and neither NZO nor any member of the Group is paid or in any way settled or has obligations to settle, the deemed remuneration. The Group's actual obligations for the settlement of Directors' compensation is unchanged from what has been previously reported.

25 Share-based payments

Accounting policy

Share-based payments are equity or cash settlements to employees in exchange for services. Equity transactions are settled in shares or options over shares. Cash settlements are determined by the share price.

The cost of equity settled transactions are measured at fair value on grant date. Fair value is determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated Group received the services that entitle the employees to receive payment no account is taken of any other vesting conditions.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Equity transactions are recognised as an expense with the corresponding increase in equity over the vesting period. The cumulative charge to a profit or loss is calculated based

25 Share-based payments (continued)

on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period.

If the non-vesting condition is within the control of the consolidated Group or employee the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited. Cancellations are accounted for on the date of cancellation, as if it had vested.

The Company has the following share based payment schemes:

(a) New Zealand Oil & Gas Share Option Scheme - established 19 March 2020.

(b) Cue Energy Share Option Scheme - established July 2019.

(a) New Zealand Oil & Gas Share Option Scheme

On 22 November 2022, the Group issued 2,631,017 unlisted options to eligible New Zealand Oil & Gas Limited employees under the share option scheme. The options are exercisable at \$0.54 [54 cents] per option, which will vest on 1 July 2025 and expire on 1 July 2028. The exercise price was determined by adding a 20% premium to the average market price on the date of the offer [being the volume weighted average market price over the previous 10 business days] at 30 June 2022. The options were valued using Black- Scholes option pricing model.

During the year \$0.3 million of share-based payment expense was recorded in relation to the New Zealand Oil & Gas Share Option Scheme for the financial year ending 30 June 2023 [2022: \$0.4 million].

Set out below are summaries of options granted under the plan:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
2023							
19/03/2020	01/07/2025	\$0.61	2,761,444	-	-	-	2,761,444
08/10/2020	01/07/2026	\$0.65	1,828,603	-	-	[43,104]	1,785,499
01/11/2021	01/07/2027	\$0.52	2,370,333	-	-	[155,223]	2,215,110
01/11/2022	01/07/2028	\$0.54	-	2,631,017	-	[229,381]	2,401,636
			6,960,380	2,631,017	-	[427,708]	9,163,689
Weighted average exercise price			\$0.59	\$0.54	-	\$0.54	\$0.58
2022							
19/03/2020	01/07/2025	\$0.61	2,832,048	-	-	[70,604]	2,761,444
08/10/2020	01/07/2026	\$0.65	1,876,930	-	-	[48,327]	1,828,603
01/11/2021	01/07/2027	\$0.52	-	2,370,333	-	-	2,370,333
			4,708,978	2,370,333	-	[118,931]	6,960,380
Weighted average exercise price			\$0.63	\$0.52	-	\$0.63	\$0.59

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
1/11/2022	01/07/2028	\$0.43	\$0.54	38%	-	4.31%	\$0.14

25 Share-based payments (continued)

(b) Cue Energy Share Option Scheme

On 30 August 2022, the Company issued 3,649,298 unlisted options to an eligible employee under the share option scheme. The options are exercisable at \$0.097 (9.7 cents) per option and will vest on 1 July 2025 and expire on 1 July 2027. The options were valued using Black-Scholes option pricing model.

During the year \$0.1 million of share-based payment expense was recorded in relation to the Cue share option scheme for the financial year ending 30 June 2023 (2022: \$0.1 million).

Set out below are summaries of options granted under the plan:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
2023							
29/07/2017	01/07/2023	\$0.08	3,513,430	-	-	(39,777)	3,473,653
04/10/2019	01/07/2024	\$0.10	3,569,765	-	-	(46,750)	3,523,015
16/07/2020	01/07/2025	\$0.13	3,241,067	-	-	(36,830)	3,204,237
23/07/2021	22/07/2026	\$0.08	4,047,966	-	-	(42,167)	4,005,799
30/08/2022	01/07/2027	\$0.10	-	3,649,298	-	(50,600)	3,598,698
			14,372,228	3,649,298	-	(216,124)	17,805,402
Weighted average exercise price			\$0.10	\$0.10	-	\$0.08	\$0.10
2022							
29/07/2017	01/07/2023	\$0.08	3,784,025	-	-	(270,595)	3,513,430
04/10/2019	01/07/2024	\$0.10	3,853,298	-	-	(283,533)	3,569,765
16/07/2020	01/07/2025	\$0.13	3,743,260	-	-	(502,193)	3,241,067
23/07/2021	22/07/2026	\$0.09	-	4,599,003	-	(551,037)	4,047,966
			11,380,583	4,599,003	-	(1,607,358)	14,372,228
Weighted average exercise price			\$0.10	\$0.09	-	\$0.10	\$0.10

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, were as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30/08/2022	01/07/2027	\$0.08	\$0.10	58%	-	3.39%	\$0.03

26 Commitments and contingent assets and liabilities

(a) Development and exploration expenditure

To maintain the various permits in which the Group is involved the Group has ongoing operational expenditure as part of its normal operations. The actual costs will be dependent on a number of factors such as joint venture decisions including final scope and timing of operations. The Group participates in a number of development projects that were in progress at the end of the year. These projects require the Group, either directly or through joint operation arrangements, to enter into contractual commitments for future expenditures.

The Group has commitments of \$4.6 million for the drilling and infrastructure works at the Mahato PSC.

At Kupe the Group has entered into a rig contract to enable the drilling of an additional infill well. The Group's share of the commitment is \$0.7 million.

The Group's share of commitments associated with the Amadeus Basin Permits for production and development expenditure is \$0.8 million.

On 20 March 2023, the Group entered into a FOA with Triangle [refer to note 13]. As part of this agreement the Group are committed to paying Triangle's drilling costs, in the form of a carry, capped at \$3.9 million, as well as its own costs of approximately the same value. Completion of the transaction is subject to regulatory approval.

(b) Contingent assets and liabilities

The Directors are not aware of any contingent assets or contingent liabilities at 30 June 2023.

27 Events occurring after balance date

On 27 July 2023, the Group announced an upgrade in reserves at the Palm Valley and Dingo gas fields in the Amadeus Basin, Northern Territory, Australia.

On 24 August 2023, the Group announced that the BA-01 exploration well in the Mahato PSC, Indonesia was tested but had produced no hydrocarbons. The well has been plugged and abandoned and the rig demobilised.

There are no further material events that have occurred after the balance date.



Independent Auditor's Report

To the shareholders of
New Zealand Oil & Gas Limited

REPORT ON THE AUDIT OF THE
CONSOLIDATED FINANCIAL STATEMENTS

Opinion

In our opinion, the accompanying consolidated financial statements of New Zealand Oil & Gas Limited (the 'company') and its subsidiaries (the 'Group') on pages 4 to 27 present fairly, in all material respects:

- i) The Group's financial position as at 30 June 2023 and its financial performance and cash flows for the year ended on that date;
- in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

- The consolidated statement of financial position as at 30 June 2023;
- The consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- Notes, including a summary of significant accounting policies.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing [New Zealand] ('ISAs [NZ]'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners [Including International Independence Standards] [New Zealand] issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants [including International Independence Standards] ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs [NZ] are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

Our firm has also provided other services to the Group in relation to tax compliance and advisory services. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Scoping

The scope of our audit is designed to ensure that we perform adequate work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the financial reporting systems, processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole, was set at \$1.9 million [2022: \$1.8 million] determined with reference to a benchmark of Group total assets. We chose the benchmark because, in our view, this is a key measure of the Group's performance.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
RECOVERABILITY OF OIL AND GAS ASSETS	
<p>Refer to Note 14 within the consolidated financial statements.</p> <p>The recoverability of oil and gas assets is a key audit matter due to the judgement involved in assessing the recoverable value of the oil and gas assets. Key valuation assumptions include:</p> <ul style="list-style-type: none"> • Oil and gas reserves, and future production levels; • Future oil and gas prices; • Discount rates; and • Future operating and capital costs. 	<p>Our audit procedures to assess the reasonableness of the recoverable value of the oil and gas assets included:</p> <ul style="list-style-type: none"> • Evaluating the Group's impairment indicator assessment, utilising our knowledge of the Group and the Oil and Gas industry, in which the Group operates. • Where an indicator of impairment was identified, in conjunction with our valuation specialists, we evaluated the key inputs and assumptions included in management's valuation model. Our assessment included: <ul style="list-style-type: none"> - Assessing the appropriateness of the CGUs determined; - Assessing whether the valuation methodology applied was in accordance with the requirements of accounting standards; - Challenging the feasibility of reserve and resource estimates and production profiles by comparing for consistency with other internal and external information, including reports prepared by management's experts; - Comparing management's forecast of oil and gas prices to observable market data and contracted prices; - Using our valuation specialist to assess the reasonableness of the discount rate used for each asset; - Reviewing operator budgets and forecasts of operating costs and capital programmes for reasonableness; and - Performing sensitivity analysis over key assumptions included in the Group's impairment assessments.



Other information

The Directors, on behalf of the Group, are responsible for the other information included in the entity's Annual Report. Other information may include the Chairman and Chief Executive's report, production and reserve information, corporate and statutory information. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

The Annual Report is expected to be made available to us after the date of this Independent Auditor's Report. Our responsibility is to read the Annual Report when it becomes available and consider whether the other information it contains is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appear misstated. If so, we are required to report such matters to the Directors.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- The preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- Implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and

- Assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- To issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board [XRB] website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>
This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Lohika Gavin Silva.

For and on behalf of

KPMG
Wellington
30 August 2023



Shareholder Information

Stock Exchange Listing

The Company is listed and its shares quoted on the official list of the Australian Securities Exchange [ASX] and on the Main Board equity security market operated by NZX Limited [NZX] as a foreign exempt entity. On both exchanges the Company's code is "NZO".

Distribution of Security Holders

As at 31 August 2023

Range	Total Holders	Units	% Units
1 – 1,000	1,344	919,984	0.41
1,001 – 5,000	1,821	4,290,464	1.92
5,001 – 10,000	445	3,204,904	1.43
10,001 – 100,000	534	15,370,169	6.86
100,001 Over	73	200,165,317	89.38
Rounding			0.00
Total	4,217	223,950,838	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$500.00 parcel at \$0.3800 per unit	1,316	1,693	1,322,385

Securities On Issue

As at 31 August 2023 New Zealand Oil & Gas Limited had the following securities

Listed Ordinary Shares	Options to acquire ordinary shares
223,950,838	9,591,398

Option holders will be able to exercise the Options within a three year period, three years post issue. The Board fixes the exercise price of the Option. To date, there have been four tranches of options issued, the first has an exercise price of \$0.61 per Option, the second \$0.65 per Option, the third \$0.52 per Option and the fourth \$0.54 per Option.

Shares issued on the exercise of Options will be issued on the same terms and will rank equally in all respects with ordinary shares currently on issue. Options do not carry voting rights or any entitlement to receive dividends unless and until exercised and converted to shares. In the event of a change of control event, generally the vesting date of Options will accelerate and the Options will become exercisable. Options are generally forfeited by a participant on the occurrence of a lapse event, which includes when the participant ceases to be an employee of the Company.


Substantial Shareholders

Substantial Product Holder Notices are received pursuant to the Financial Markets Conduct Act 2013. Shareholders are required to disclose their holding to the issuer and the issuer's registered exchanges when:

- They have a substantial holding (5% or more of the listed 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.

According to the Company's records and Substantial Product Holding Notices previously released to the ASX and NZX, as at 30 June 2023, no Substantial Product Holder Notice, has been received since the date of the last Annual Report.

Options have been issued subject to the Scheme Rules available here

 www.nzog.com/dmsdocument/482

Top 20 Shareholders

As at 31 August 2023

	Security Holder	Units	%
1	O.G. OIL AND GAS SINGAPORE PTE. LTD	160,583,035	71.70
2	SIK-ON CHOW	6,000,000	2.68
3	NEW ZEALAND CENTRAL SECURITIES DEPOSITORY LIMITED	4,065,987	1.82
4	LAWRENCE HERD	3,611,243	1.61
5	RADFORD SFT PTY LTD	3,340,000	1.49
6	NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	1,869,281	0.83
7	RIUO HAURAKI LIMITED	1,750,000	0.78
8	TRIBAL NOMINEES LIMITED	1,574,507	0.70
9	AOTEAROA RENTAL ENTERPRISES LIMITED	1,273,593	0.57
10	RUIHUI ZHANG	1,079,967	0.48
11	CHIN-YI LIN + YU-CHING LIN-CHAO	810,000	0.36
12	RAOUL JOHN DAROUX	789,541	0.35
13	RICHARD BRUCE LEES	768,162	0.34
14	ASB NOMINEES LIMITED <A/C 317253>	514,585	0.23
15	ZILSTAME NOMINEES PTY LTD	505,155	0.23
16	SHENG-FEI WANG	500,000	0.22
17	NEIL DOUGLAS WAITES	439,928	0.20
18	DYLAN LANCE SCHISCHKA	410,835	0.18
19	HOBSON WEALTH CUSTODIAN LIMITED <EQUITIES DTA A/C>	408,597	0.18
20	HSU-CHENG YANG	400,000	0.18
Totals: Top 20 holders of ORDINARY SHARES (Total)		190,694,416	85.15
Total Remaining Holders Balance		33,256,422	14.85

Share Buy-backs

No shares were bought back in the period.

Trading Statistics

For the 12 months ended 30 June 2023


	High	Low
ASX [trading Code NZO] cps AUD	0.43	0.32
NZX [Trading Code NZO] cps, NZD	0.465	0.36

ASX closing price 30 June 2023: AUD 0.33cps

Dividends

No dividend payments have been made during the financial year. The Dividend Reinvestment Plan will not apply to future dividends until advised otherwise.

Track the share price and volumes at

 www.nzog.com/investor-information/shareholders-information

Corporate Directory

Registered and Head Office

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Telephone +64 4 495 2424
Email enquiries@nzog.com

Auditors

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PO Box 996
Wellington, New Zealand

Share Registry

Australia

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GPO Box 3329 Melbourne, VIC 8060 Australia
Freephone: 1 800 501 366 [within Australia]
Telephone: +61 3 9415 4083
Facsimile: +61 3 9473 2500
Email: Web.Queries@computershare.com.au
Website: www.computershare.com.au

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www.investorcentre.com

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Management commentary
(no financial statements)

