



**REGULATION<sup>®</sup>**

8 December 2006

Brian Roulston  
Company Secretary  
New Zealand Oil and Gas Ltd  
WELLINGTON

Email: [brianr@nzog.net](mailto:brianr@nzog.net)

via email

Dear Brian

**New Zealand Oil and Gas Limited ("NZO") – Continuous Disclosure Enquiry**

We write with respect to the NZSX Listing Rules on continuous disclosure.

Listing Rule 10.1.1 is set out in the Schedule to this letter. In summary, this rule requires issuers to immediately disclose any Material Information to NZX. The rule provides limited exceptions to this obligation. Material Information does not need to be disclosed where a reasonable person would not expect the information to be disclosed *and* where the information is confidential and its confidentiality is maintained *and* where one of five safe harbours applies.

NZX understands that recently three directors of Pike River Coal Limited ("PRCL") resigned from the PRCL Board of Directors ("Board"). NZX understands that these directors were the three independent directors of the PRCL board.

NZX notes that the resignations were announced to the market for the first time today. NZX also notes that no explanation for the resignations has been provided to the market, other than that the directors have resigned for personal reasons.

Could you please confirm the date on which the directors resigned. Could you also please provide further information on the reasons for the resignation of the directors.

Could you also please advise NZX whether NZO considers it has complied with Listing Rule 10.1.1 and provide any information necessary to assist NZX in this matter. NZX requests that such a response be received before 9am on Tuesday 12 December 2006 and may be sent via email to [toby.norgate@nzx.com](mailto:toby.norgate@nzx.com).



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Please note that your response to this letter may be published in full to the market.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Toby Norgate'.

Toby Norgate  
Solicitor  
NZX Regulation

A handwritten signature in black ink, appearing to be 'Andrew Suggate'.

Andrew Suggate  
Legal Officer  
NZX Regulation



**Schedule 1: NZSX Listing Rule 10.1.1**

**10. DISCLOSURE AND INFORMATION**

**10.1 MATERIAL INFORMATION**

**10.1.1 Continuous Disclosure of Material Information:** Without limiting any other Rule, every Issuer shall:

- (a) once it becomes aware of any Material Information concerning it, immediately release that Material Information to NZX, provided that this Rule shall not apply when:
  - (i) a reasonable person would not expect the information to be disclosed; and
  - (ii) the information is confidential and its confidentiality is maintained; and
  - (iii) one or more of the following applies:
    - (a) the release of information would be a breach of law; or
    - (b) the information concerns an incomplete proposal or negotiation; or
    - (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
    - (d) the information is generated for the internal management purposes of the Issuer; or
    - (e) the information is a trade secret.

In this Rule 10.1.1, an Issuer is aware of information if a Director or an executive officer of the Issuer (and in the case of a Managed Fund, a Director or executive officer of the Manager) has come into possession of the information in the course of the performance of his or her duties as a Director or executive officer.

- (b) not disclose any Material Information to the public, other Recognised Stock Exchanges (except as provided for in Rule 10.2.3(d)(i)) or other parties except those parties to whom the proviso to Rule 10.1.1(a) applies:
  - (i) prior to disclosing that Material Information to NZX; and
  - (ii) prior to an acknowledgement from NZX of receipt of that Material Information.
- (c) release Material Information to NZX to the extent necessary to prevent development or subsistence of a market for its Quoted Securities which is materially influenced by false or misleading information emanating from:
  - (i) the Issuer or any Associated Person of the Issuer; or
  - (ii) other persons in circumstances in each case which would give such information substantial credibility,

and which is of a reasonably specific nature whether or not Rule 10.1.1(a) applies.



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12 December 2006

Mr Toby Norgate  
NZX Regulation  
New Zealand Exchange Limited  
P O Box 2959  
Wellington.

Dear Toby

#### **CONTINUOUS DISCLOSURE ENQUIRY**

We respond to your letter of 8 December 2006.

The directors of New Zealand Oil & Gas Limited ("NZOG") consider that the company has complied with Listing Rule 10.1.1

NZOG sent its Pike River Update release to the stock exchanges at 09.12am on 8 December 2006, which included advice that three persons had resigned as directors of Pike River Coal Limited (PRCL) for personal reasons. PRCL is a partly owned unlisted subsidiary of NZOG.

These resignations followed NZOG's notification to the board of PRCL that NZOG was taking control of the February 2007 public listing of PRCL. The company understands that the main factors which affected the personal positions of the PRCL directors who resigned were NZOG's decision to directly assume responsibility for finalising and structuring the PRCL float and also, in the meantime, to deal with the Pike development as an NZOG group project.

The three directors formally tendered their resignations at a teleconference board meeting which commenced after 5pm on Thursday 7 December 2006.

Please note that NZOG included information about changes in the PRCL board in its release because of press commentary in the NZ Herald, not because the information itself was thought to be market sensitive.

We are happy for this response to be published in full to the market.

Yours sincerely

Helen Mackay  
General Counsel