

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS NEW ZEALAND OIL & GAS LIMITED

For Quarter ended 31 December 2004

Quarterly Report of Consolidated Cash Flows prepared in accordance with NZSE Listing Rule 10.10.4. These figures are based on accounts which are unaudited. All figures are in New Zealand dollars. The Company has a formally constituted Audit Committee of the Board of Directors.

		Current Quarter	Year to Date (6 months)
		\$NZ'000	\$NZ'000
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	Cash Flows Relating to Operating Activities		
1(a)	Notes Receipts from product sales and related debtors	-	-
1(b)	Payments for		
	(a) exploration and evaluation	(813)	(2,535)
	(b) development	(223)	(2,997)
	(c) production	-	-
	(d) administration	(386)	(1,217)
	(e) decommissioning	-	-
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	66	200
1(e)	Interest and other costs of finance paid	-	-
1(f)	Income taxes paid	(3)	1
1(h)	Net Operating Cash Flows	(1,359)	(6,548)
	Cash Flows Related to Investing Activities		
2(a)	Cash paid for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(61)	(206)
2(b)	Cash proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
2(c)	Loans to other entities	-	-
2(d)	Loans repaid by other related entities	-	150
2(e)	Other – Security/term deposit for licence bond	-	-
2(f)	Net Investing Cash Flows	(61)	(56)
	Total Operating and Investing Cash Flows	(1,420)	(6,604)
	Cash Flows Related to Financing Activities		
3(a)	Cash proceeds from issues of shares	1,224	1,224
3(b)	Proceeds from sale of forfeited shares	-	-
3(c)	Borrowings	-	-
3(d)	Repayment of borrowings	-	-
3(e)	Dividends paid	-	-
3(f)	Other	-	-
3(g)	Net Financing Cash Flows	1,224	1,224
4(a)	Net Increase/(Decrease) in Cash Held	(196)	(5,380)
4(b)	Cash at beginning of quarter/year to date	12,323	17,696
4(c)	Exchange rate adjustments to Item 4(b) above	(321)	(510)
4(d)	Cash at End of Quarter	11,806	11,806

Notes:

Non-Cash Financing and Investing Activities

5(a) Provide details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

5(b) Provide details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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Financing Facilities Available

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

Amount Available \$NZ'000	Amount Used \$NZ'000
Nil	Nil

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Estimated Outlays for Specified Quarter

Notes

- 1 Exploration and evaluation
- 2 Development

Total

Current Quarter # \$NZ'000	Following Quarter \$NZ'000
330	874
472	2,030
802	2,904

The outlays to be shown in this column are the estimates made for this quarter in the previous quarterly report. When these estimates differ by more than 15% from the actual outlays reported in Item 1(b) of this report, provide an explanation of the reason(s) for these differences as an attachment to this report.

Note (1) and (2) Timing differences

8 **Reconciliation of Cash**

For the purposes of this statement of cashflows, cash includes:
 bank bills, cash on hand and at bank, short term deposits and government stock less any overdraft.

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$NZ'000	Previous Quarter \$NZ'000
Cash on hand and at bank	265	-
Deposits at call and bank bills	10,055	11,320
Bank overdraft	-	(18)
Other – Joint venture cash	1,486	1,021
Total: Cash at End of Quarter (Item 4(d)/4(b))	11,806	12,323

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Changes in Interests in Mining Tenements

	Tenement Reference	Nature of Interest (note (4))	Interest at Beginning of Quarter %	Interest at End of Quarter %
9(a)		Interests in mining tenements relinquished, reduced or lapsed		-
9(b)	PEP38718	Direct	25%	28.6%

9(c) The Company's "Petroleum Licence Interests" as at 31 December 2004 are set out below.

PETROLEUM LICENCE INTERESTS AT 31 December 2004

LICENCE	GROSS AREA SQ KM	DIRECT INTEREST %	Note
1. PETROLEUM MINING PERMITS			
PML38146 (Kupe field)	256	15.00	
2. PETROLEUM EXPLORATION PERMITS			
ONSHORE TARANAKI			
PEP38729 (Opito)	238	75.00	
PEP38718 (Tuihu)	115	28.60	
PEP38768 (Pukearuhe)	196	56.00	
OFFSHORE TARANAKI			
PEP38460 (Tui /Amokura / Pateke)	4,046	12.50	
PEP38483 (Deep West Maui)	11,952	15.00	
PEP38484 (West Kupe)	1,680	50.00	
PEP38478 (Mangatoa)	361	50.00	

Notes:

New Zealand Oil & Gas Limited
 Quarterly Report of Consolidated Cashflows

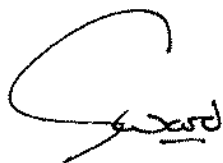
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Issued and Quoted Securities at End of Current Quarter

(NEW ZEALAND OIL & GAS LIMITED ONLY)

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number Issued	Number Quoted	Par Value (cents)	Paid-Up Value (cents)
Preference +securities (description)				
Issued during quarter				
+Ordinary Securities Less Treasury capital	134,147,721	134,147,721 (5,864,515) 128,283,206	N/A	N/A
Issued during quarter	137,741	137,741		
+Convertible Debt Securities (description)				
Issued during quarter				
Options	71,981,363	71,981,363	Exercise Price 0.60	Expiry Date 30 June 2005
Issued during quarter				
Exercised during quarter	137,741	137,741	0.60	
Expired during quarter				
Debentures (totals only)				
Unsecured Notes (totals only)				



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 Gordon Ward
 General Manager