



# Investor Presentation

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Gordon Ward

General Manager

New Zealand Oil & Gas  
[www.nzog.net](http://www.nzog.net)

# NZOG OVERVIEW

Listed : NZX and ASX

Market Cap. : NZ \$200m  
(shares \$1.20, options 60c)

Low Overheads : Head Office, Wellington

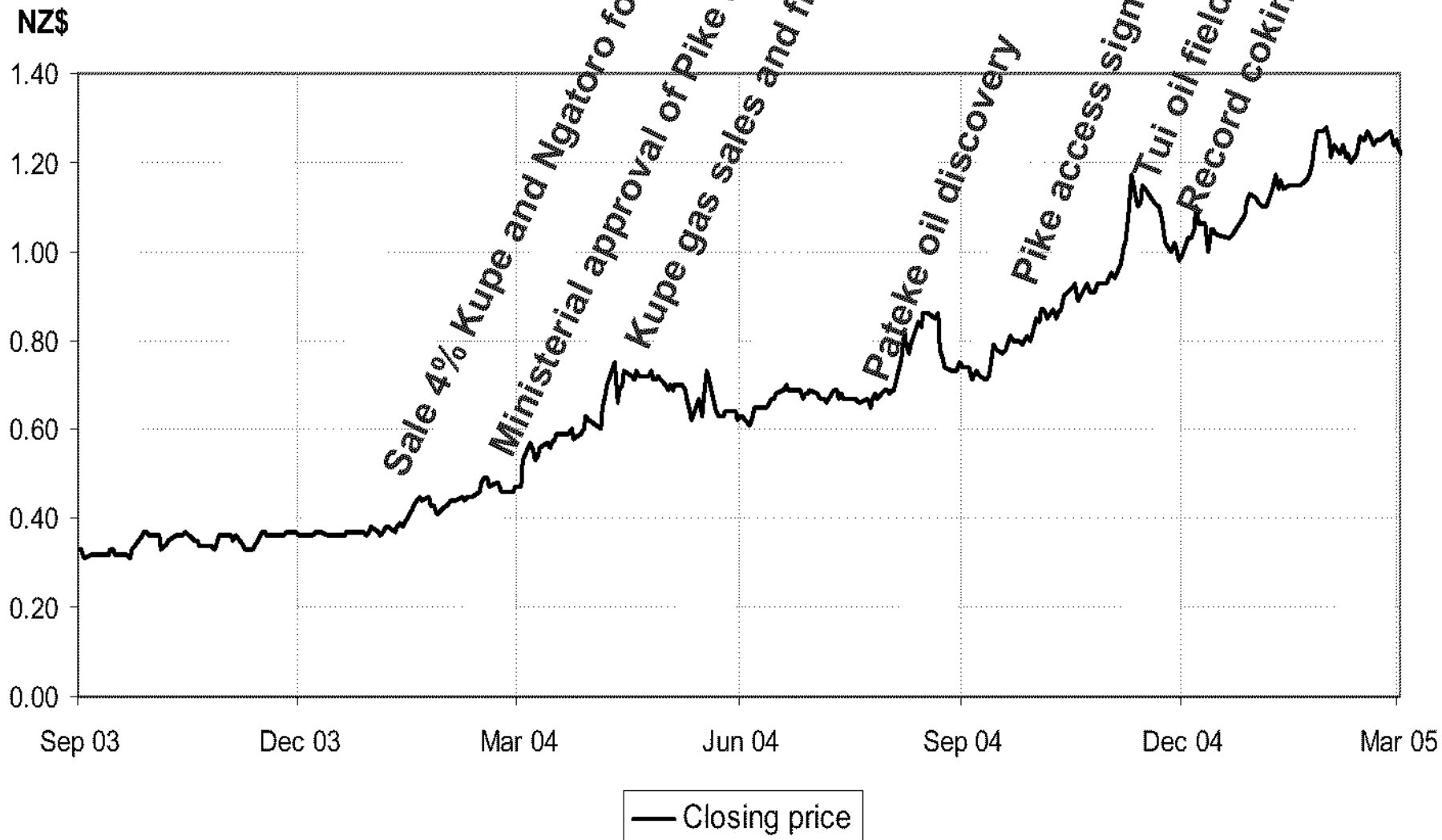
Developments : Tui, Kupe, Pike River

Exploration : Large exploration drilling targets

# OVERVIEW - Capital Structure

Ordinary Shares	128 million
Options – exercise date 30 June 2005 (at NZ 60 cents ea)	72 million
Shareholders – mostly retail	10,000
Share price – 15 March 2005	\$1.20 (up 110% in past year)

# NZOG Share Price - 15 Mar 2005



# OVERVIEW - Major Events Past Year

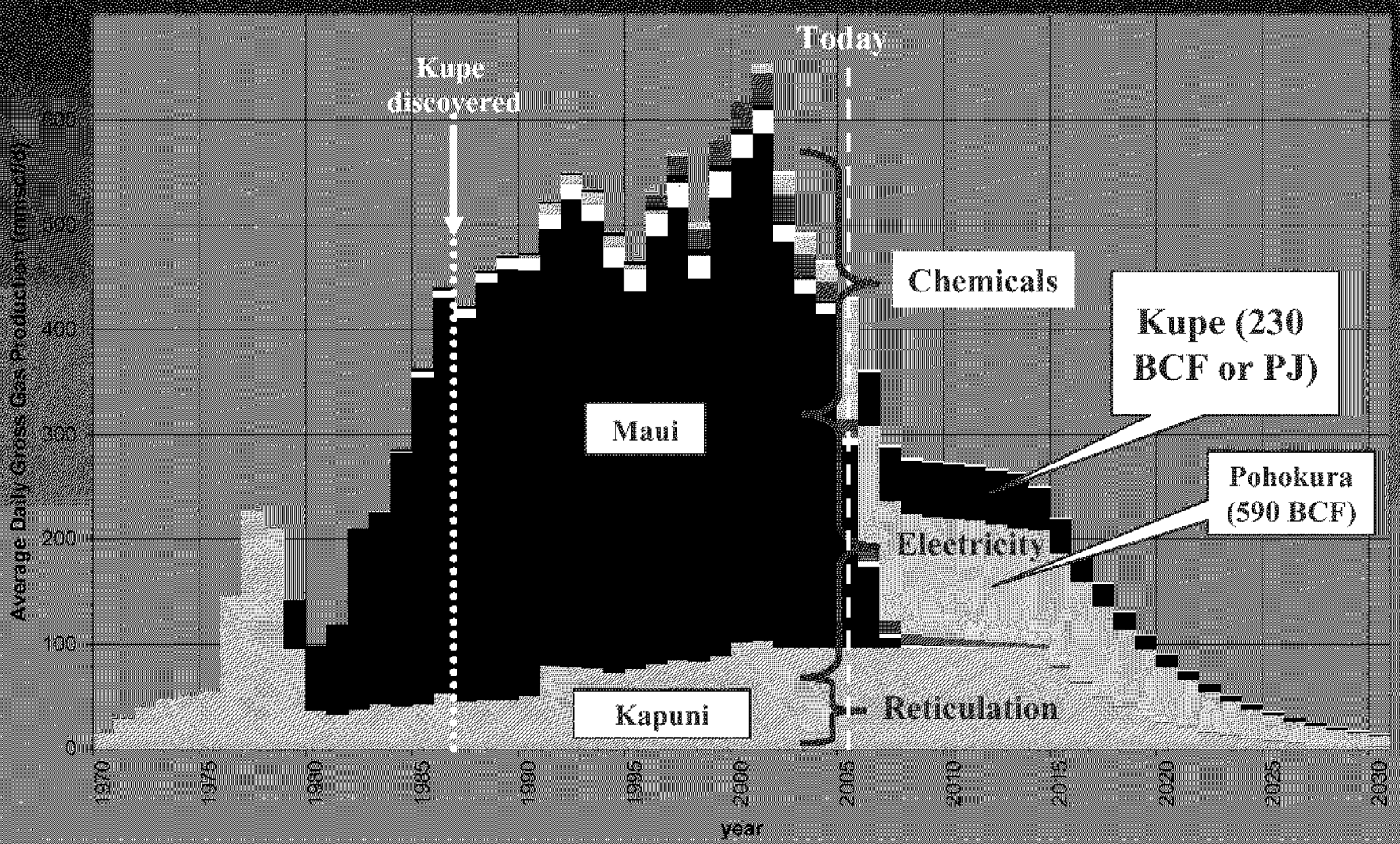
- Feb 04 Sale 4% Kupe \$9.2m & Ngatoro \$8.3m
- Mar 04 Ministerial conditional approval for Pike
- Apr 04 Amokura oil discovery
- May 04 Kupe gas sales and financing with Genesis
- Jun 04 Pike letters of intent 1.5 million tonnes pa +
- Aug 04 Pateke oil discovery
- Oct 04 Detailed Pike access agreement
- Dec 04 Tui Oil Fields declared commercial
- Feb 05 Tui FEED study commences

# NZOG OVERVIEW

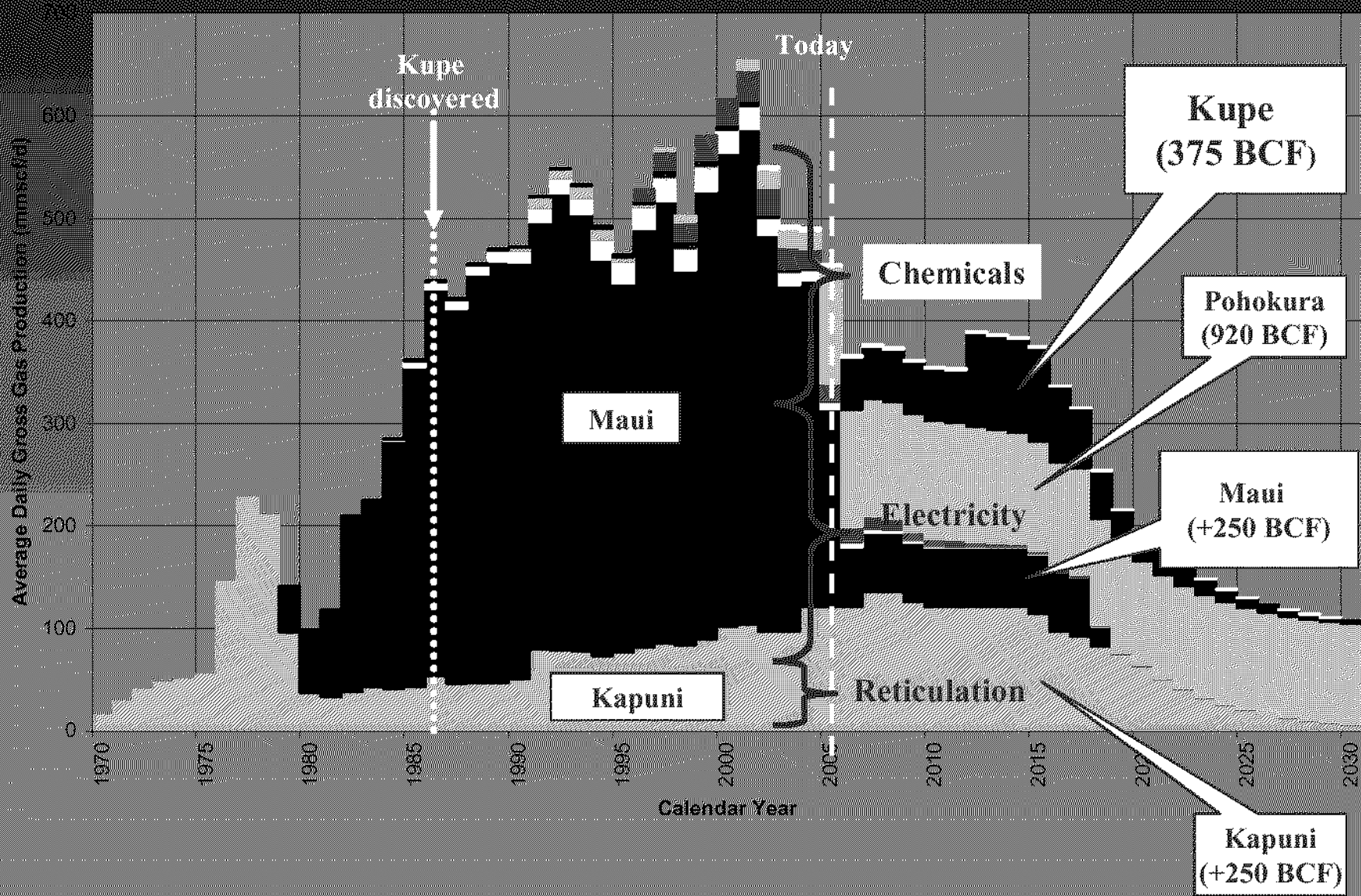
## Major Growth Assets

<b>Project</b>	<b>Final Investment Decision</b>	<b>First Production</b>
Tui Oil Fields (12.5%)	Dec 2005 Qtr	Dec 2006 Qtr
Kupe gas/oil (15%)	Dec 2005 Qtr	Sep 2007 Qtr
Pike Coal (72%)	Jun 2005 Qtr	Jun 2006 Qtr

# NZ Gas Use - Lowside Scenario



# NZ Gas Use - Highside Scenario



# Kupe Development (15%)

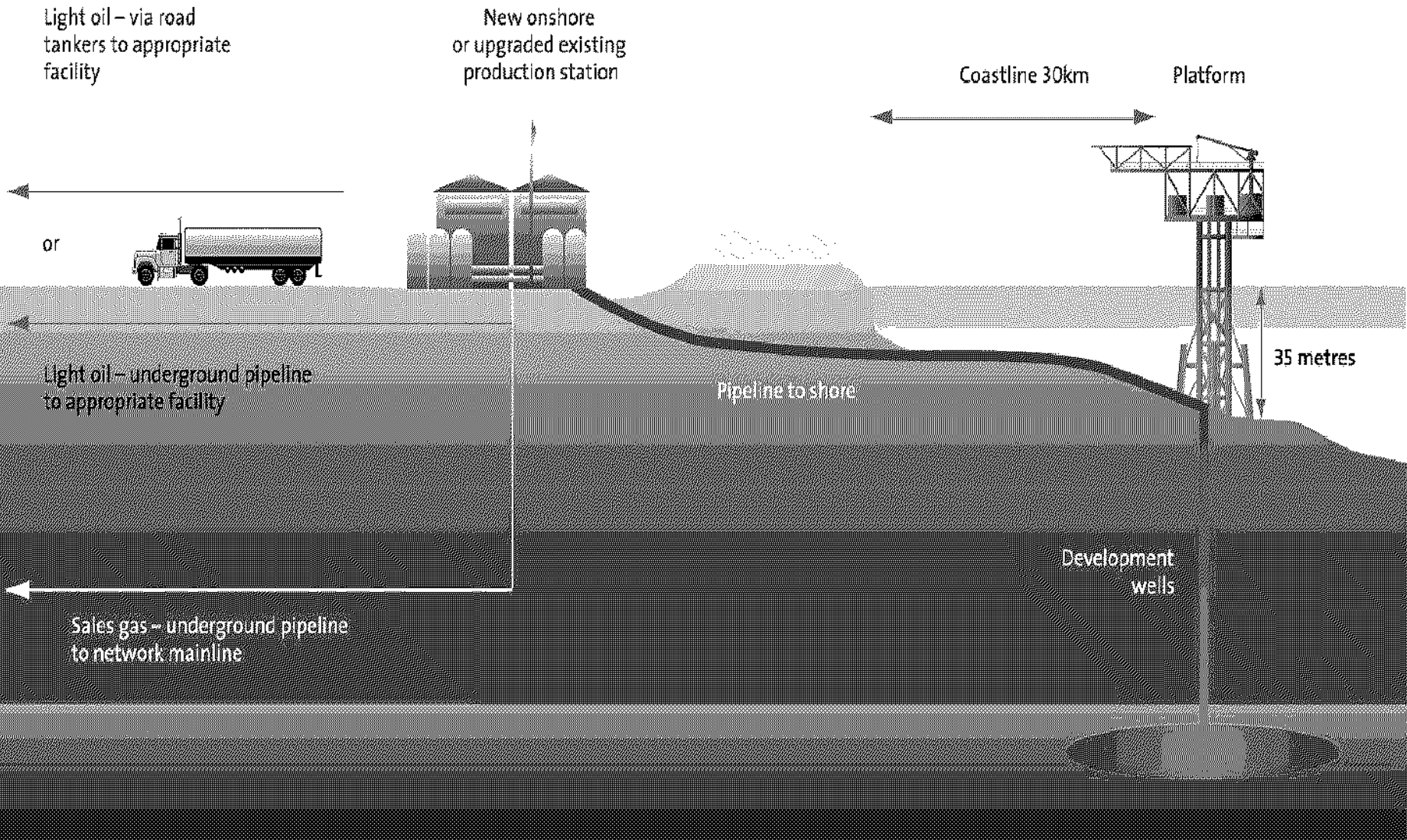
- Gas sales and funding with Genesis
- Cornerstone contract
- Funding of 85% up to NZ\$40m
- Major source of cashflow commencing 2007
- Monetises NZOG tax losses of NZ \$45m

# Kupe Development Plan

- Initial development 230 PJ at 20 PJ/year and 1.5 mmbbls of light oil
- Unmanned minimal offshore structure
- Initial development cost  $\approx$  NZ \$300m +/- 25% (NZOG \$45m) excl. onshore production station
- Subsequent tie-in 150-250 PJ could substantially increase and extend production



# Kupe Oil and Gas Development Design Concept



# Kupe Central Field Area

*proven and probable reserves*

GAS: 230 PJ

OIL: 16 mmbbl oil

Three wells in  
Central Field Area

Kupe S-3B

DST#1 4580 bopd

DST#3 26.4 mmcf/d

## Additional Potential

GAS: 150-250 PJ

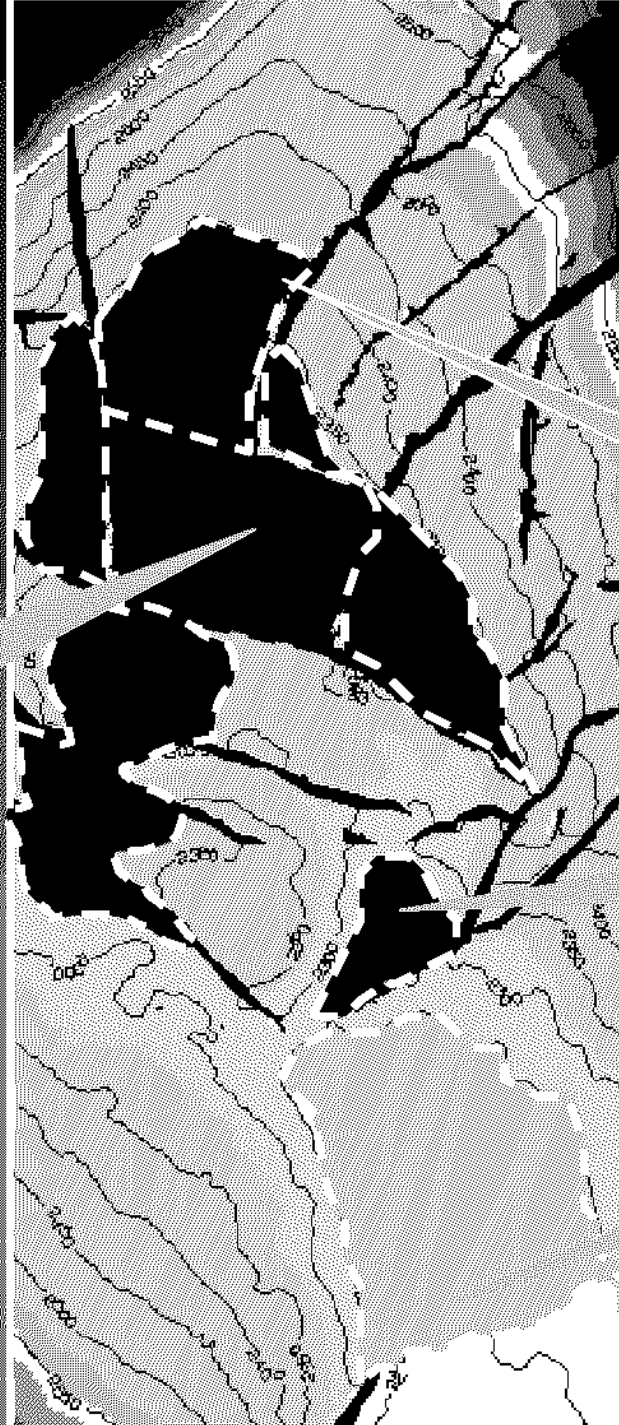
OIL: 10-30 mmbbl oil  
and condensate

Untested column  
in Kupe-1

Kupe S-4  
DST#1 7.1 mmcf/d

Kupe S-5  
DST#2 2250 bopd

0 2 km



# Tui Oil Development (12.5%)

- Three oil discoveries in West Maui
- Tui oil discovery - Feb 03, Amokura - Apr 04 and Pateke - Aug 04
- 10 to 13 metres of net oil pay in highly productive sands
- Recoverable reserves 20 to 30 million bbls

# Tui Oil Development Plan

- Development engineering studies (FEED) commenced Feb 2005
- Development concept is leased production and storage vessel (FPSO) and subsea completion with 4 -5 producers
- Initial daily production 30,000 barrels +
- Aiming for development decision Sep 2005 qtr and first oil one year later

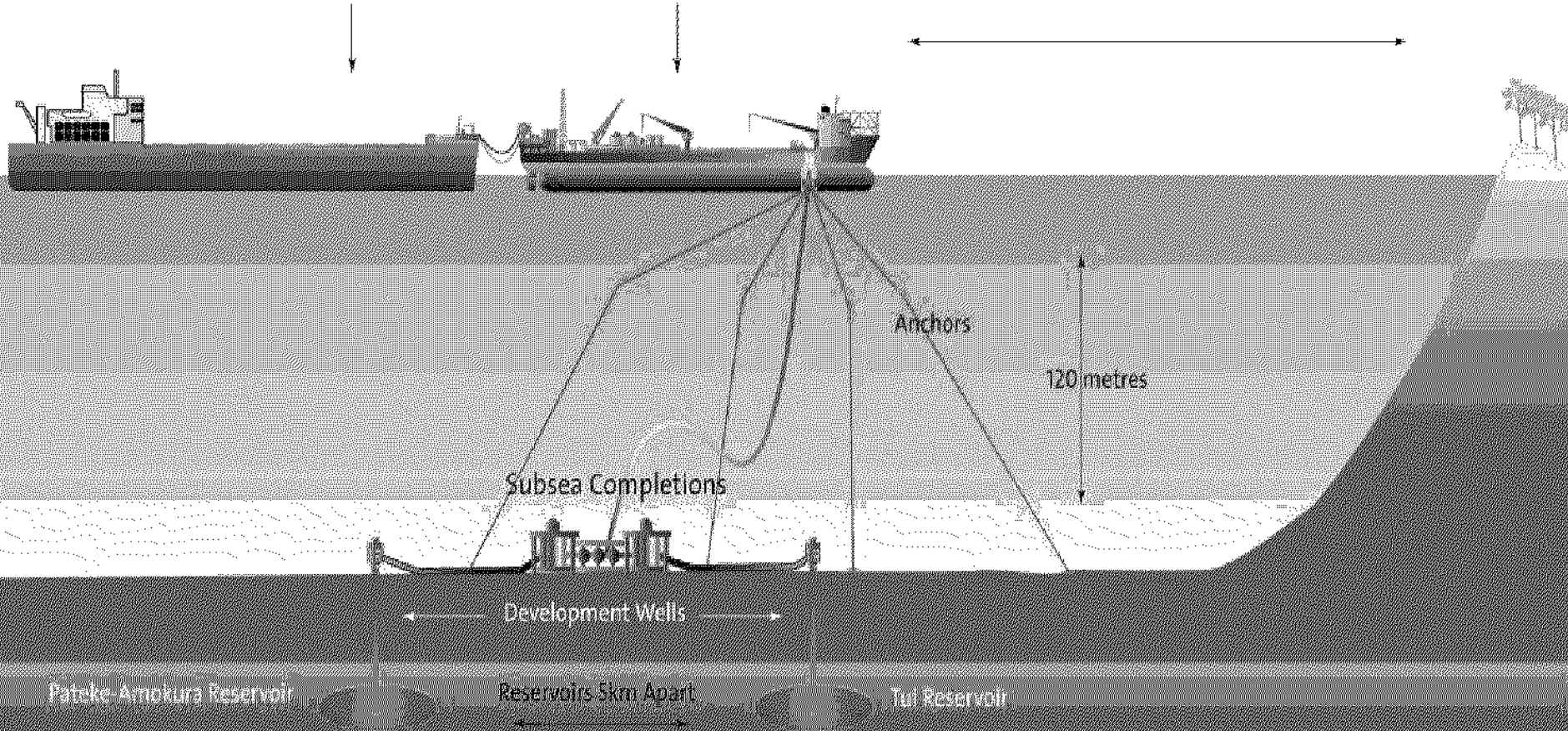


# Tui Oil Development

Oil Tanker  
Transporting  
Oil to Markets

FPSO Production  
and Storage Vessel

Coastline 40km



# Primary Exploration Targets

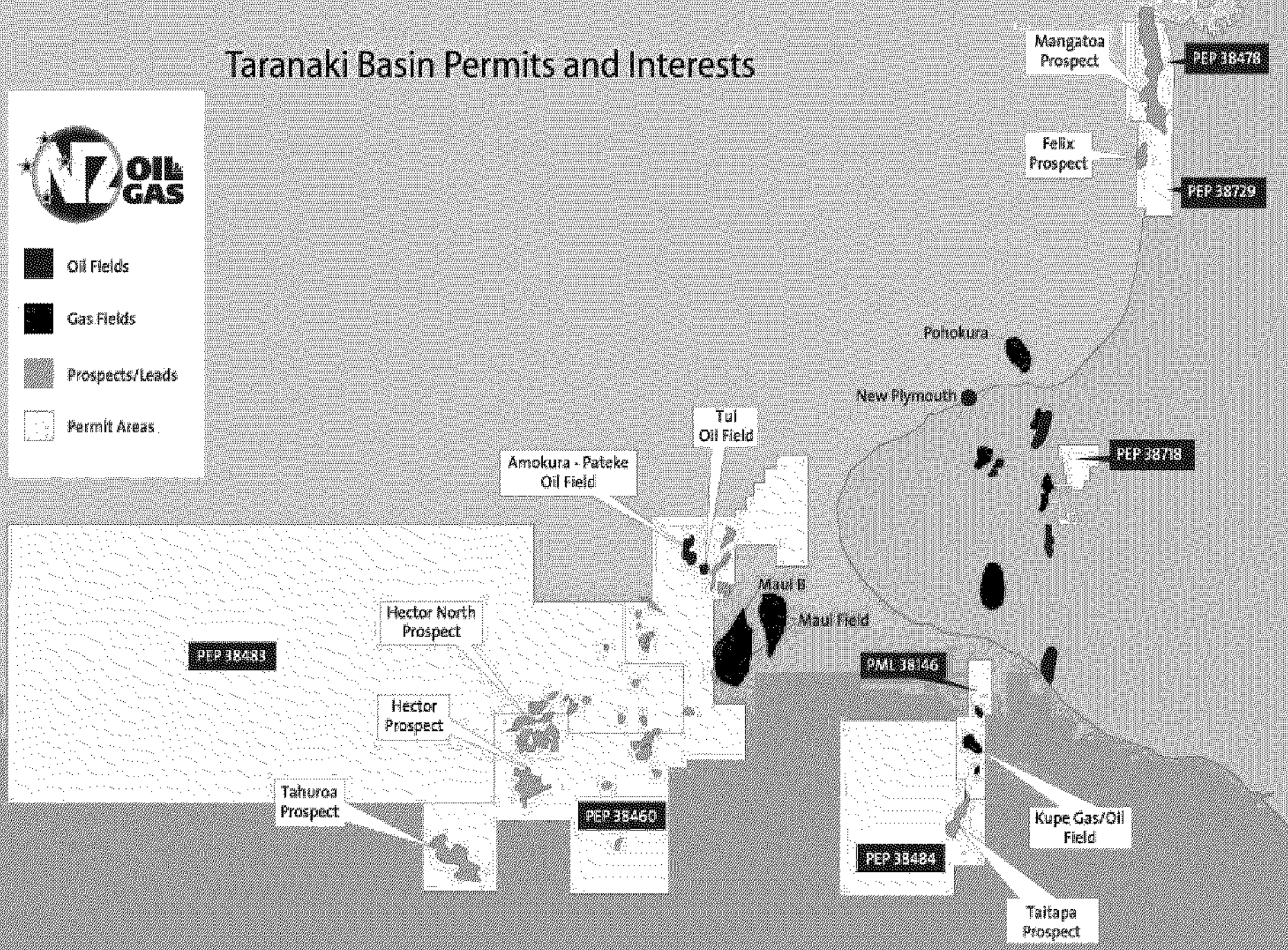


1. Hector – an oil prospect
2. Weka - an oil prospect next to Tui field
3. Mangatoa - a large gas prospect in PEP 38478
4. Felix - an oil prospect northern Taranaki Basin
5. Taitapa - an oil prospect West of Kupe
6. Tahuroa - an oil prospect in Tui permit

# Taranaki Basin Permits and Interests



- Oil Fields
- Gas Fields
- Prospects/Leads
- Permit Areas





# Hector (NZOG 18.9%)

- 414 km<sup>2</sup> 3D survey to commence next month
  - targeting Kapuni D and F sands
  - address subtle closures (similar to Tui field)
- Kiwa-1 – 1981 targeted Kapuni Formation
  - drilled outside closure
- Potential hydrocarbons
  - 30-60 mmbbl recoverable oil
  - possibly several separate oil pools similar to Tui

# Weka Prospect (NZOG 12.5%)



3D Tui survey to delineate northern extent of Pateke oil pool

## Weka Prospect

- 7 km SE of Tui
- Similar structure and sand distribution in Fsand to Tui area
- Predicted to be up-dip of Tui (as opposed to Kiwi-1)
  - good possibility of oil charge
  - 10 mmbbl recoverable oil
  - **tie in to Tui development**

# Mangatoa Prospect (NZOG 50%)



- Primary target Cretaceous sands
  - 3-way dip closure relying on fault seal against overthrust
  - hydrocarbons present in Te Ranga-1 drilled in 1986 (as oil prospect)
  - 45 m net tight gas column
  - Not tested
  - **1.8 Tcf recoverable gas (median)**
- New partner(s) pre drilling

# Felix Prospect (NZOG 75%)



- Kapuni C-sands
  - Seismic reprocessing completed
  - Main risk is trap closure (dependent on velocity field)
  - Specialized geophysical studies initiated
  - 38 mmbbl recoverable oil (mean)

# Taitapa Prospect (NZOG 50%)



- West of Kupe field
- Miocene and Cretaceous targets
  - three-way dip closure in Miocene
    - Further work to mitigate risk of charge
    - Potential for 32 mmbbl of oil (mean)
  - fault-bounded in Cretaceous
    - Further work to mitigate risk of reservoir quality
    - Potential for 96 mmbbl of oil (mean)

# Tahuroa Prospect (NZOG 12.5%)



- Primary target Eocene Kapuni Sands
  - southern part of Tui permit
  - large 4-way dip closure
  - drape over basement high
  - good potential for Kapuni D and F-sands
  - potential of 200 mmbbl recoverable oil

# Hydrocarbon Targets



- **Estimate of combined potential recoverable hydrocarbons from these 6 prospects**
  - 1.8 tcf gas and 300 mmbbl oil
  
- **NZOG Share**
  - 0.9 Tcf of Gas
  - 125 mmbbl of Oil

# Ocean Bounty Semi Submersible



# Pike River Coal Development (72%)

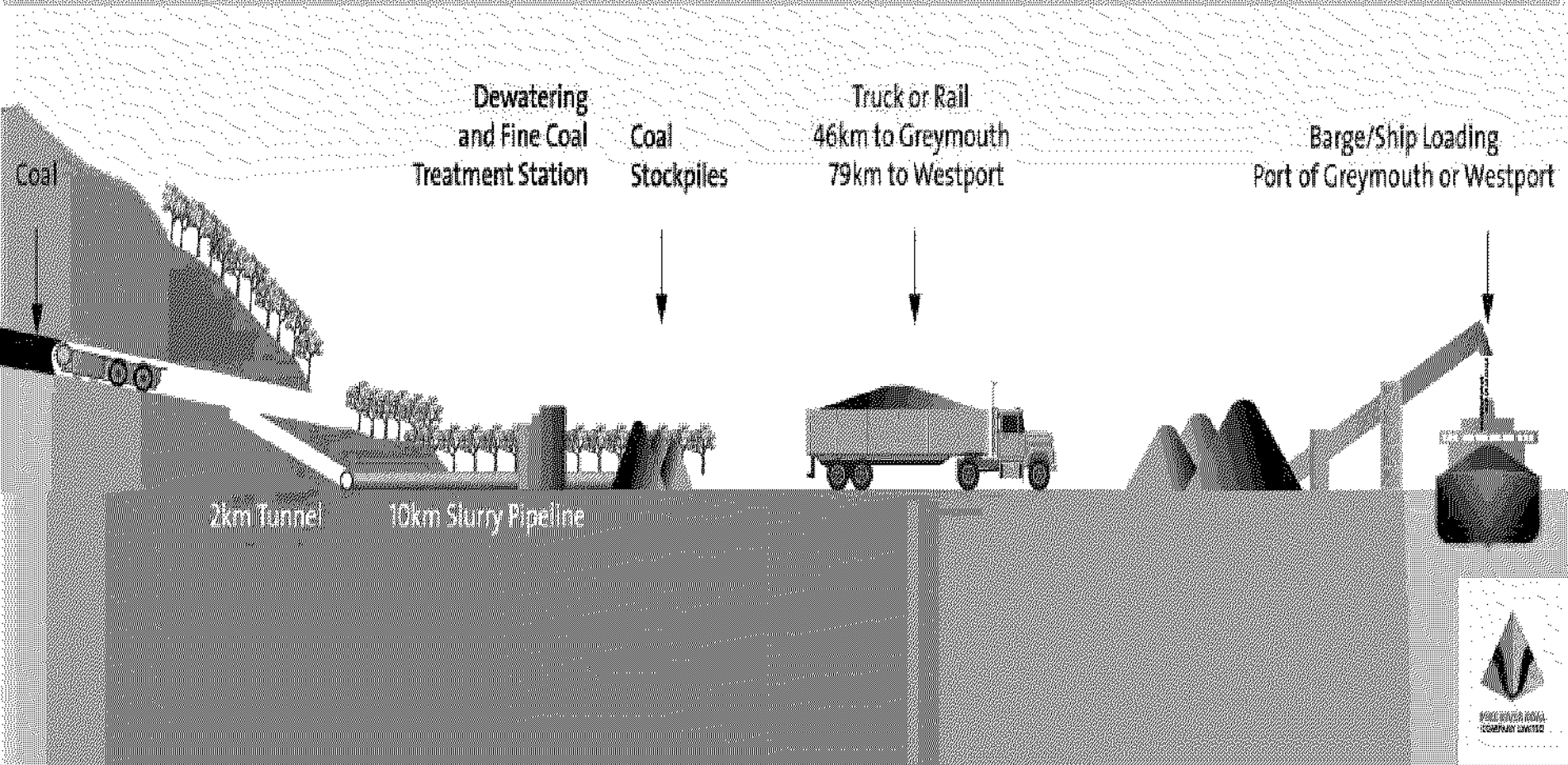
- 1 to 1.2 million tpa + export coking coal over 15 + yrs
- \$1.7 billion + exports
- NZ \$84 million development cost including working capital
- All access agreements and consents in place



# Pike River Coal (72%)

- Financing options under review – third party financing
- IPO planned for 2005 – preferential entitlement for NZOG shareholders
- Record coal prices US \$125/tonne
- First coal production target in 16 months
- Strong consistent cashflow stream once established

# Pike River Coal Development



# NZOG Summary

- Valuable development assets
- Large exploration targets
- Experienced Board
- Sound financial position
- Experienced project partners
- Strong growth potential

## Disclaimer

This presentation contains some estimates of prospect sizes which are an indication only of the potential that may exist if a successful exploration well is drilled into a prospect and a discovery results. Petroleum exploration carries substantial risk. It is recommended that readers of this presentation consult with their accountant or financial adviser if considering investing in the company.