

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

NEW ZEALAND OIL & GAS LIMITED

For Quarter ended 31 March 2005

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 (9 months)
		\$NZ'000	\$NZ'000
NZSE Ref			
	Cash Flows Relating to Operating Activities		
1(a)	Notes Receipts from product sales and related debtors	-	-
1(b)	Payments for		
	(a) exploration and evaluation	(132)	(3,257)
	(b) development	(1,076)	(4,029)
	(c) production	-	-
	(d) administration	(214)	(1,481)
	(e) decommissioning	-	-
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	107	387
1(e)	Interest and other costs of finance paid	-	-
1(f)	Income taxes paid	-	-
1(h)	Net Operating Cash Flows	(1,315)	(8,380)
	Cash Flows Related to Investing Activities		
2(a)	Cash paid for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(52)	(257)
2(b)	Cash proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	1,148	1,148
	(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	1,096	1,041
	Total Operating and Investing Cash Flows	(219)	(7,339)
	Cash Flows Related to Financing Activities		
3(a)	Cash proceeds from issue of NZOG shares	280	1,504
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	280	1,504
4(a)	Net Increase/(Decrease) in Cash Held	61	(5,835)
4(b)	Cash at beginning of quarter/year to date	11,289	17,696
4(c)	Exchange rate adjustments to Item 4(b) above	51	(460)
4(d)	Cash at End of Quarter	11,401	11,401

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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6 **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

7 **Estimated Outlays for Specified Quarter**

Notes	Current Quarter # \$NZ'000	Following Quarter \$NZ'000
1 Exploration and evaluation	330	1,636
2 Development	472	1,677
Total	802	3,313

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

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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	112	213
Deposits at call and bank bills	10,374	10,055
Bank overdraft	-	-
Other – Joint venture cash	915	1,021
Total: Cash at End of Quarter (Item 4(d)/4(b))	11,401	11,289

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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)	PEP 38768	Direct	56.0%	-
9(b)	PEP 38483	Direct	15.0%	18.864%

9(c) The Company's "Petroleum Licence Interests" as at 31 March 2005 are set out below.

PETROLEUM LICENCE INTERESTS AT 31 March 2005

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 (Felix)	238	75.00	
PEP38718 (Tuihu)	115	28.60	
PEP38768 (Pukearuhe)	196	-	1
OFFSHORE TARANAKI			
PEP38460 (Tui /Amokura / Pateke)	3,802	12.50	2
PEP38483 (Deep West Maui)	12,196	18.86	2
PEP38484 (West Kupe)	1,680	50.00	
PEP38478 (Mangatoa)	360	50.00	

Notes:

1) PEP 38768 is in the process of being relinquished.

2) The Joint Venture Partners of PEP 38460 and PEP 38483 agreed to amend the common permit boundary by approximately 245 sq km so that the Hector prospect is now located entirely within PEP 38483.

New Zealand Oil & Gas Limited
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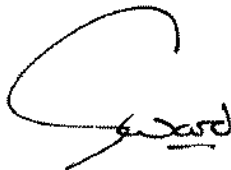
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Issued and Quoted Securities at End of Current Quarter

(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	134,602,118	134,602,118 (5,864,515) 128,737,603	N/A	N/A
Issued during quarter	464,784	464,784		
+Convertible Debt Securities (description)				
Issued during quarter				
Options	71,676,965	71,676,965	Exercise Price 0.60	Expiry Date 30 June 2005
Issued during quarter				
Exercised during quarter	314,784	314,784	0.60	
Expired during quarter				
Debentures (totals only)				
Unsecured Notes (totals only)				



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Gordon Ward
General Manager