

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

For Quarter ended 30 June 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 June	Year to Date (12 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	(185)	(3,442)
	(b) development	(1,776)	(5,805)
	(c) production	-	113
	(d) administration	(1,110)	(2,701)
	(e) decommissioning	-	-
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	122	509
1(e)	Interest and other costs of finance paid	-	-
1(f)	Income taxes (paid)/received	30	31
1(h)	Net Operating Cash Flows	(2,919)	(11,295)
	Cash Flows Related to Investing Activities		
2(a)	Cash paid for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(152)	-
	(c) other fixed assets	(3)	(260)
2(b)	Cash proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	996
	(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	(155)	886
	Total Operating and Investing Cash Flows	(3,074)	(10,409)
	Cash Flows Related to Financing Activities		
3(a)(i)	Cash proceeds from issue of NZOG shares	41,111	41,430
3(a)(ii)	Cash proceeds from issue of shares to minority interests	-	1,184
3(b)	Proceeds from sale of forfeited shares	-	-
3(c)	Borrowings	140	140
3(d)	Repayment of borrowings	-	-
3(e)	Dividends paid	-	-
3(f)	Other	-	-
3(g)	Net Financing Cash Flows	41,251	42,754
4(a)	Net Increase/(Decrease) in Cash Held	38,177	32,345
4(b)	Cash at beginning of quarter/year to date	11,404	17,696
4(c)	Exchange rate adjustments to Item 4(b) above	83	(377)
4(d)	Cash at End of Quarter	49,664	49,664

Notes:

3(a) Includes shares issued to minority interests in Pike River Coal Company Limited

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	1,636	178
2 Development	1,677	3,500
Total	3,313	3,678

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	12,158	112
Deposits at call and bank bills	36,111	10,374
Bank overdraft	-	-
Other – Joint venture cash	1,395	915
Total: Cash at End of Quarter (Item 4(d)/4(b))	49,664	11,401

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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 38478	Direct	50.0%	-
9(b)				

9(c) The Company's "Petroleum Licence Interests" as at 30 June 2005 are set out below.

PETROLEUM LICENCE INTERESTS AT 30 June 2005

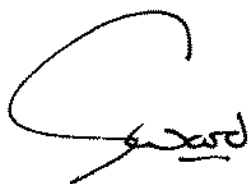
LICENCE	GROSS AREA SQ KM	DIRECT INTEREST %	Note
1. PETROLEUM MINING PERMITS			
PML38146 (Kupe field)	256	15.00	
2. PETROLEUM EXPLORATION PERMITS			
ONSHORE TARANAKI			
PEP38729 (Felix)	238	75.00	
PEP38718 (Tuihu)	115	28.60	
OFFSHORE TARANAKI			
PEP38460 (Tui /Amokura/Pateke)	3,802	12.50	
PEP38483 (Deep West Maui-Hector)	12,196	18.86	
PEP38484 (West Kupe-Taitapa/Gamma)	1,680	50.00	1

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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	205,362,664	205,362,664	N/A	N/A
Less Treasury capital		(5,864,515)		
		199,498,149		
Issued during quarter	68,932,546	68,932,546		
+Convertible Debt Securities				
(description)				
Issued during quarter				
Options			Exercise Price	Expiry Date
	71,676,965	71,676,965	0.60	30 June 2005
Issued during quarter				
Exercised during quarter	68,932,546	68,932,546	0.60	
Expired during quarter	916,419	916,419		
Debentures				
(totals only)				
Unsecured Notes (totals only)				



Gordon Ward
 General Manager

Director Nominations

Pursuant to rule 3.3.2 of the NZX Listing Rules, New Zealand Oil & Gas Limited advises that its 2005 Annual General Meeting will be held on Friday 28 October 2005 (time and venue to be advised), the opening date for director nominations is 1 August 2005 and the closing date for director nominations is 31 August 2005.