



Presentation to **INFINZ** Industry Conference

20 October 2005

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NZOG Overview



Listed	NZX and ASX
Market Cap	NZ \$200m
Shareholders	11,000 mostly New Zealanders, with institutions increasing holdings to 8%
Major Developments	Tui, Pike River, Kupe
Exploration	Drilling targets in prime location
Commodity Prices	Oil, gas and coking coal at or near record prices

Market Capitalisation



NZ\$ million



Major Growth Assets



Project	Final Investment Decision	First Production Target
Pike Coal (69%)	Sep 2005 Qtr (made)	Dec 2006 Qtr
Tui Oil Fields (12.5%)	Dec 2005 Qtr (imminent)	Mar 2007 Qtr
Kupe Gas/Oil (15%)	Mar 2006 Qtr	Dec 2007 Qtr

Tui - Project Summary

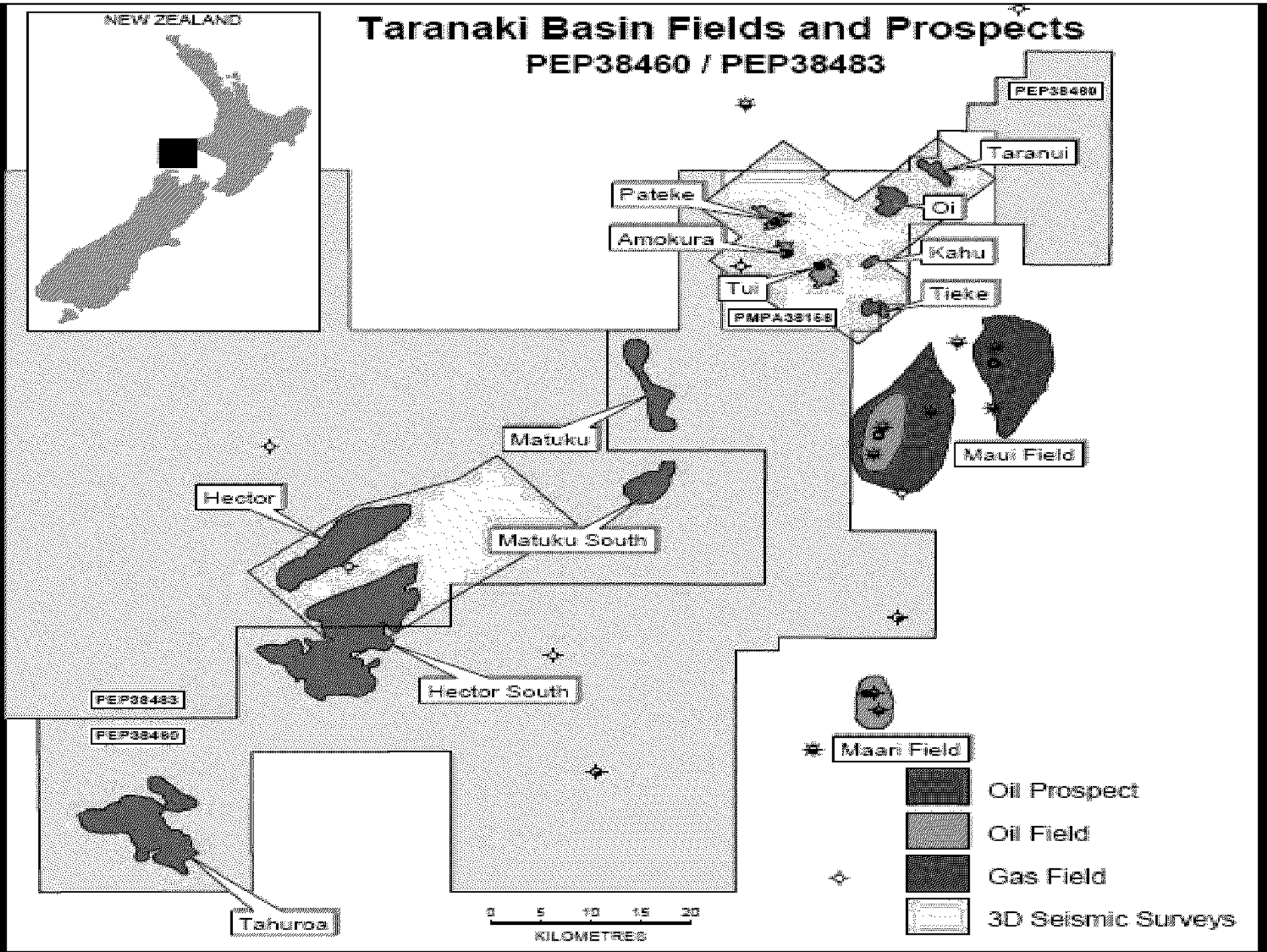
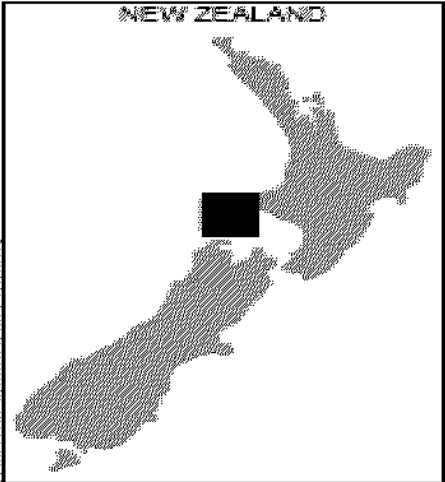


- **Oil recovery** 20 – 30 million barrels
- **Capex** US\$200 m (excl. FPSO lease)
- **Final Invest Decision** 31 October 2005 (target)
- **First oil** January 2007
- **Initial oil rate** 50,000 barrels of oil per day
- **Maximum liquid rate** 120,000 bbls liquids per day
- **Development** Leased FPSO and subsea completion

NEW ZEALAND

Taranaki Basin Fields and Prospects

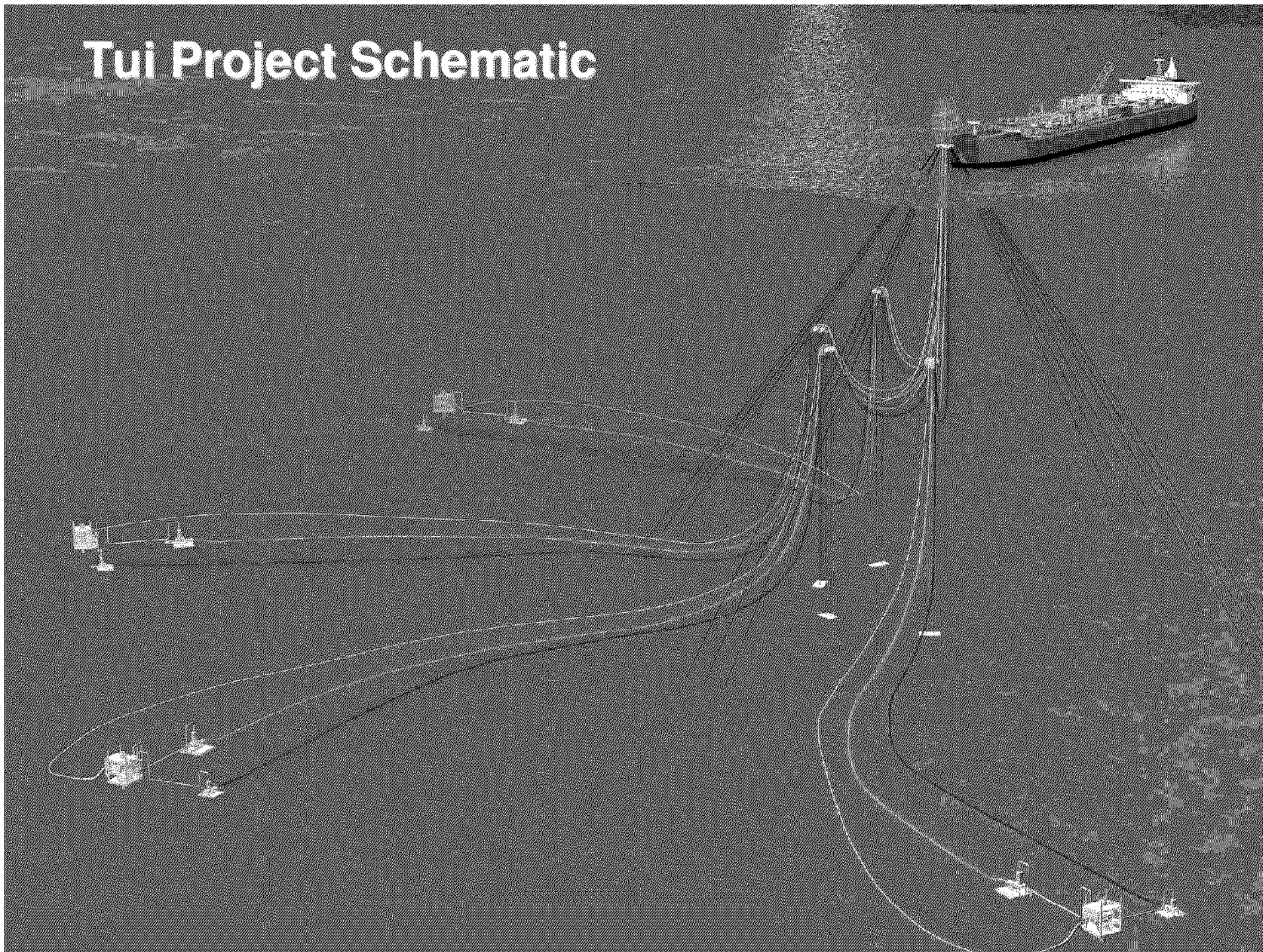
PEP38460 / PEP38483



	Maori Field
	Oil Prospect
	Oil Field
	Gas Field
	3D Seismic Surveys

0 5 10 15 20
KILOMETRES

Tui Project Schematic

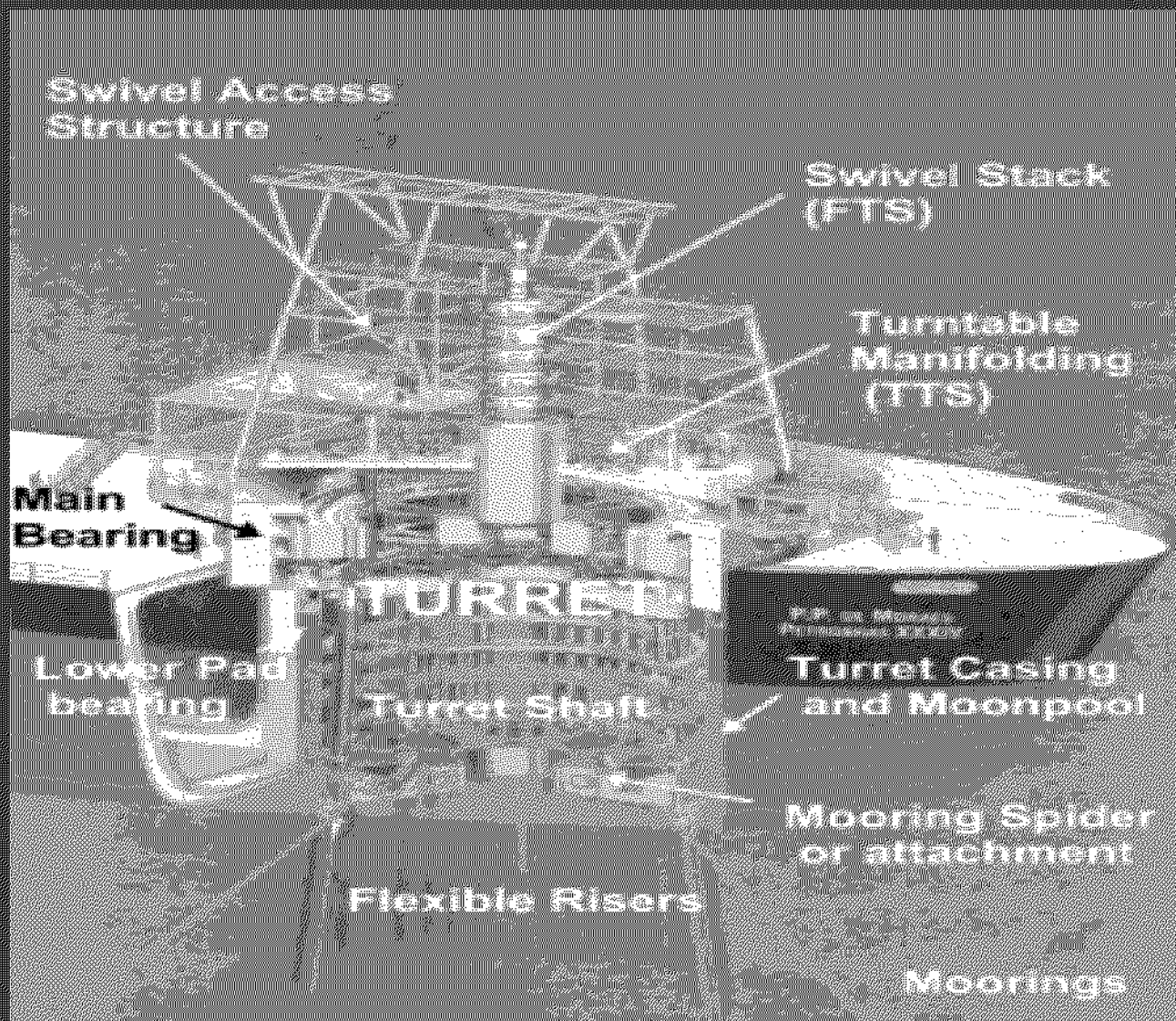




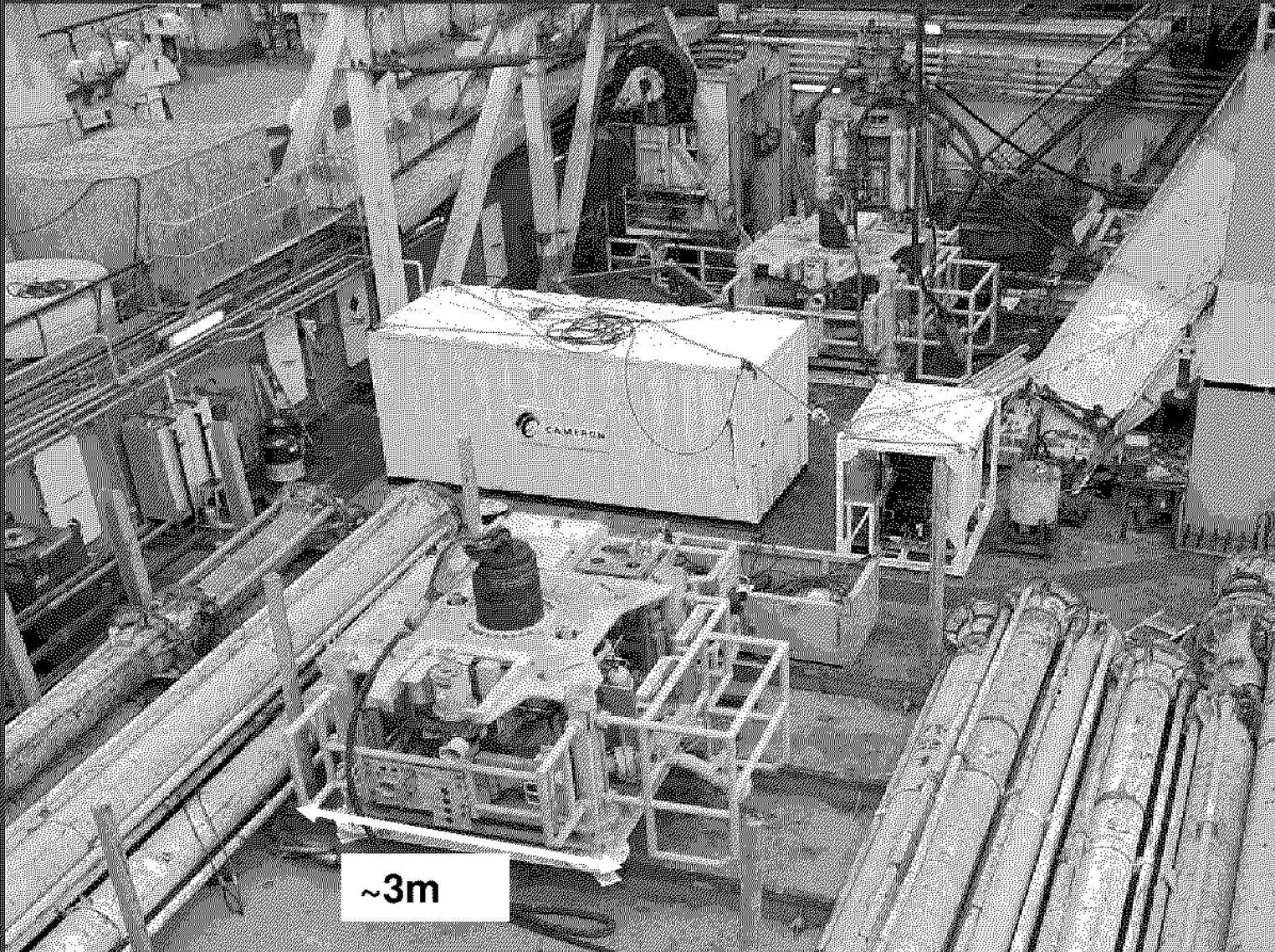
Tui - FPSO

- **Oil processing** 50,000 bbls per day
- **Liquid processing** 120,000 blpd
- **Turret mooring** FPSO can weathervane for continuous production
- **Turret / swivel** Four Tui wells plus one satellite tie-in
- **Oil storage capacity** 700,000 bbls

FPSO – Internal Turret Tanker



Tui - Wellhead / Controls



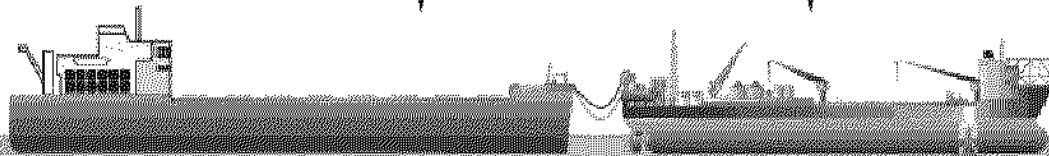


Tui Oil Development

Oil Tanker
Transporting
Oil to Markets

FPSO Production
and Storage Vessel

Coastline 40km



anchors

120 metres



Subsea Completions

Development Wells

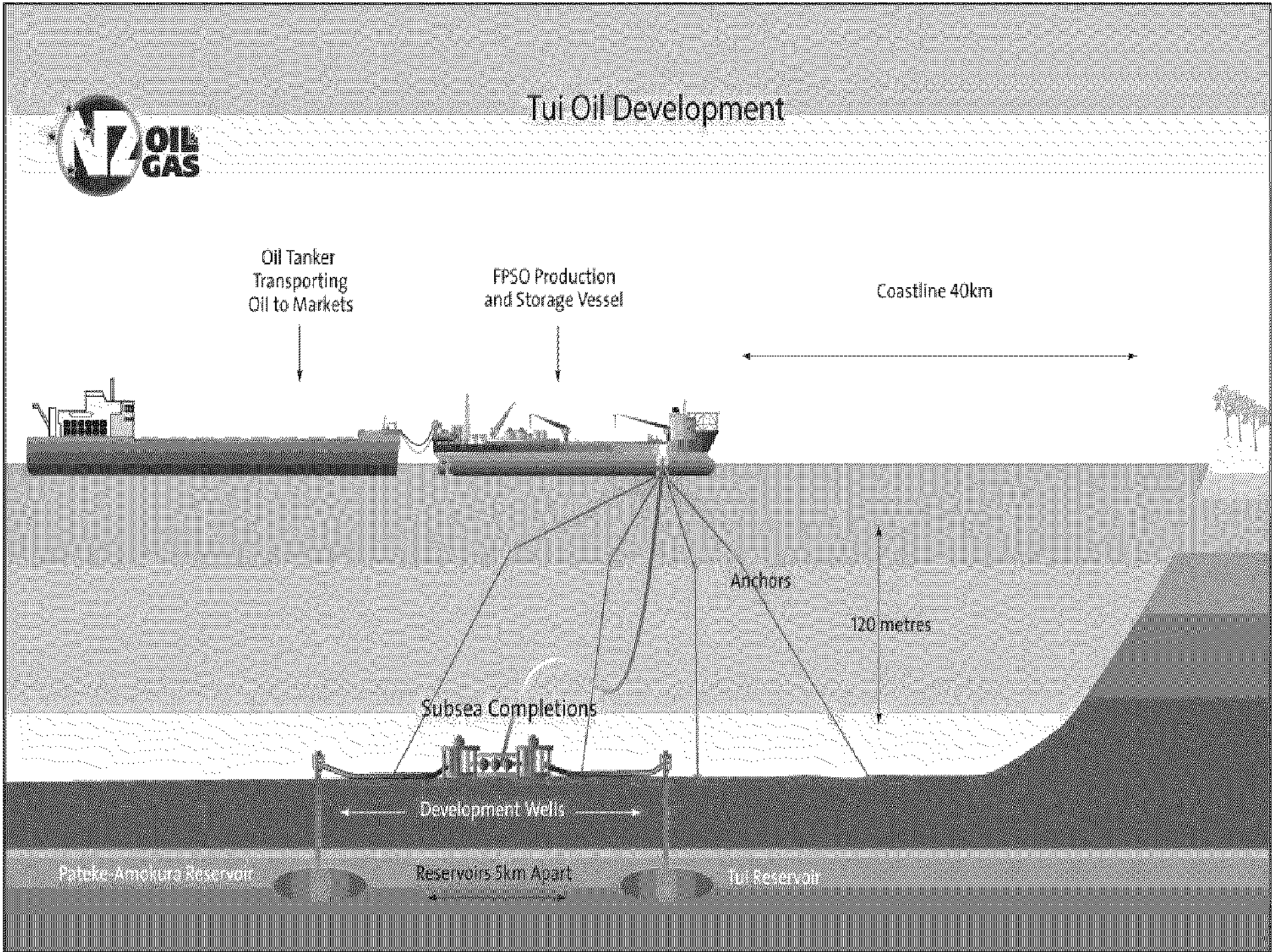


Pateke-Amohura Reservoir

Reservoirs 5km Apart



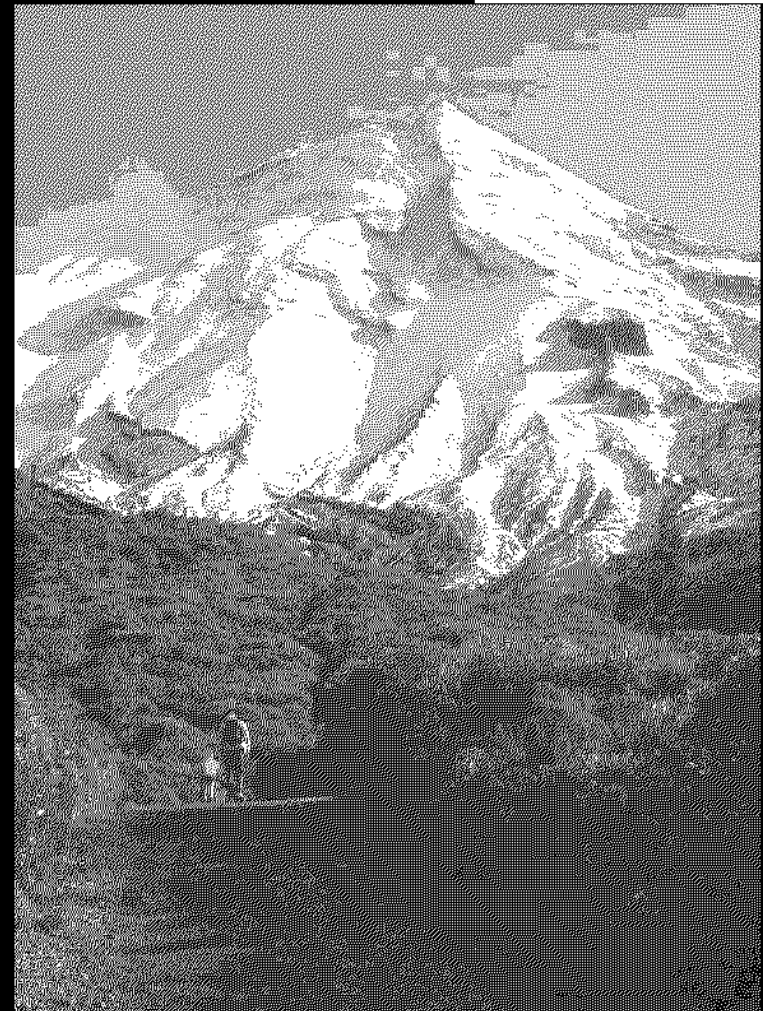
Tui Reservoir



Importance of Kupe (NZOG 15%)



- Improve security of New Zealand's gas supply
- Substantial investment creating jobs and contracting opportunities
- Increase reputation of Taranaki as New Zealand's "Energy Region"
- Reduce greenhouse gases emitted to atmosphere
 - when burnt, natural gas generates about 50% less greenhouse gas than imported or domestic coal



Kupe Project Summary



- **Gas recovery** 281 petajoules (PJ)
- **Condensate recovery** 15 million barrels
- **Capex** Being determined by tender
- **Final Invest Decision** March 2006 quarter (target)
- **First production** Late 2007
- **Gas production rate** 20 PJ pa
- **Initial condensate rate** 1.7 million barrels (year 1)
- **Development** Unmanned offshore platform, pipeline to onshore production station

Reservoir and Reserves

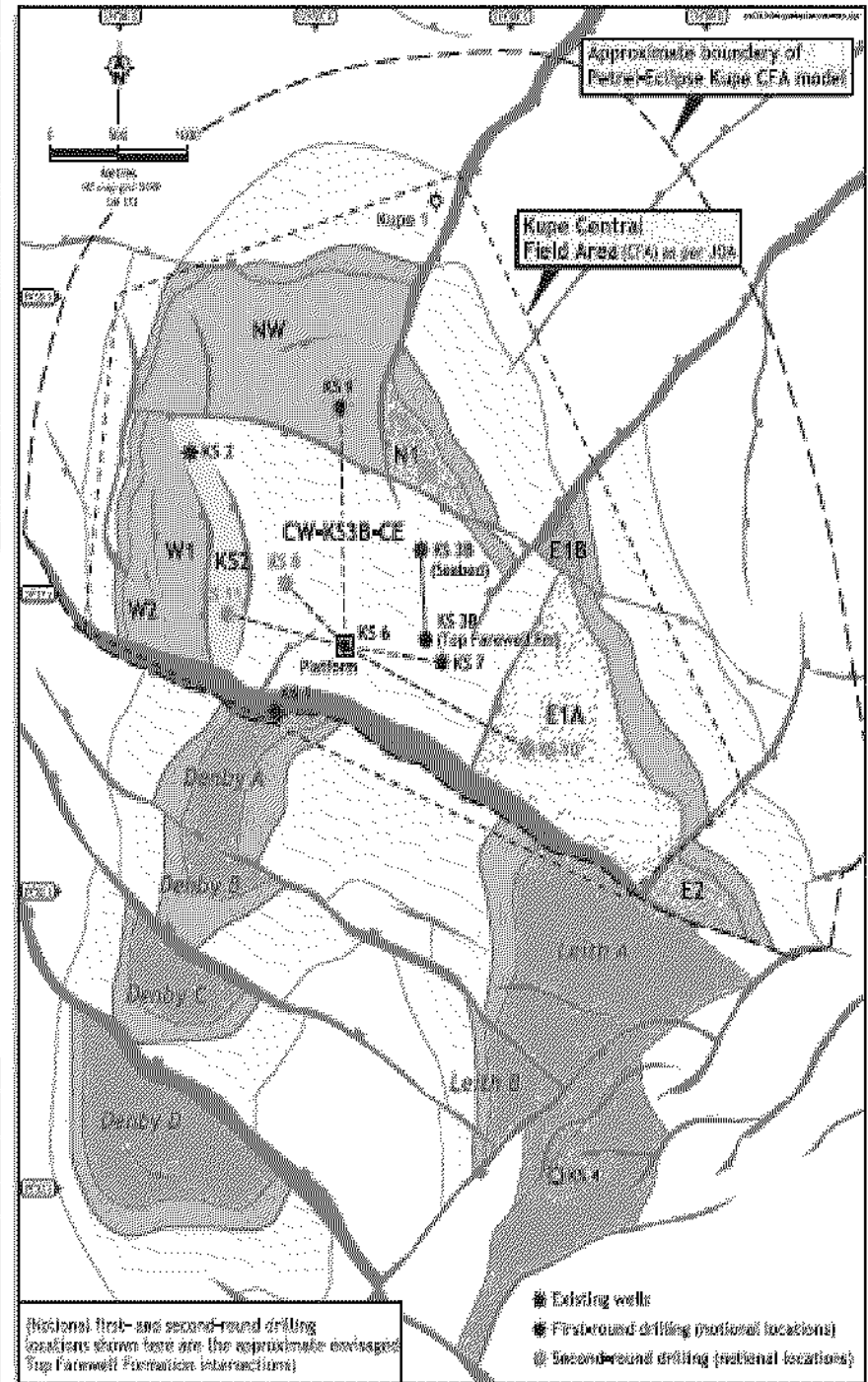
Reserves revised in 2005 following a major reinterpretation

Recovery volumes now estimated at (2P) reserves of:

Product	Estimated Recovery	PJE
Sales Gas	281 PJ	281
LPG	627,000 tonnes	31
Condensate	14.7 million barrels	82
Total (PJE)		394

(Figures include contribution from the basal oil leg.)

Upside Potential: 200 PJ in NW CFA
Denby, Leith
Kupe South-4,5



Kupe - Facilities



- **Development wells:**
 - Three wells, to 3300 m deep
- **Platform**
 - Normally unmanned
 - No processing equipment
 - Remote control (from onshore production station)
 - 6 well slots (3 used initially)
 - 3 spare risers for satellite field tie-ins
- **Pipeline**
 - Single three-phase 12 inch raw gas pipeline
 - Three chemical injection lines
 - Umbilical for control and power
- **Onshore processing plant**

Kupe Project Schematic

Kupe Wellhead Platform

- Unmanned platform operated from Production Station)
- 6 wells (3 initial)
- Water depth - 35m
- No production facilities

LPG & Condensate export by road tanker

Sales Gas pipeline to Kapuni

Kupe Production Station

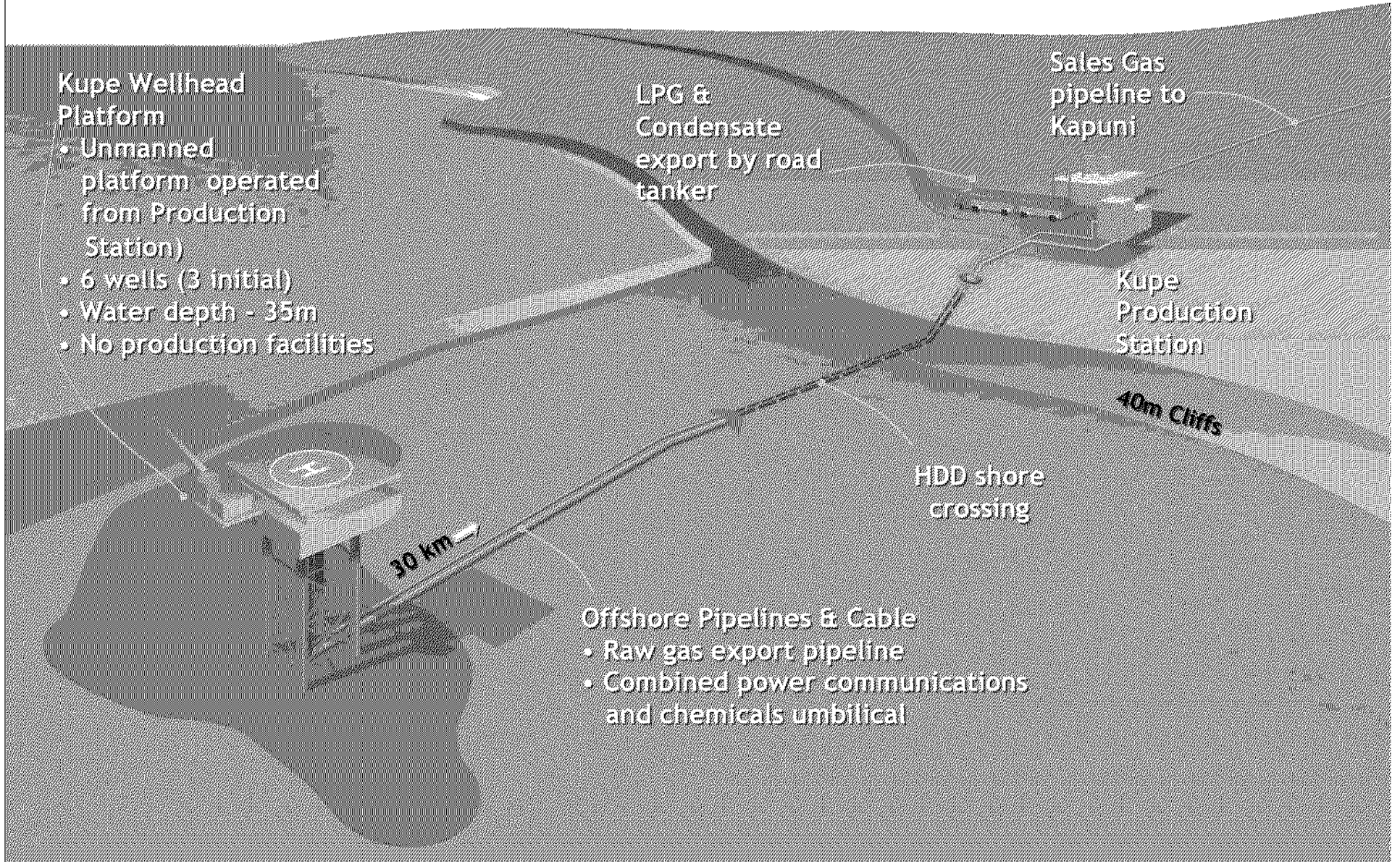
40m Cliffs

HDD shore crossing

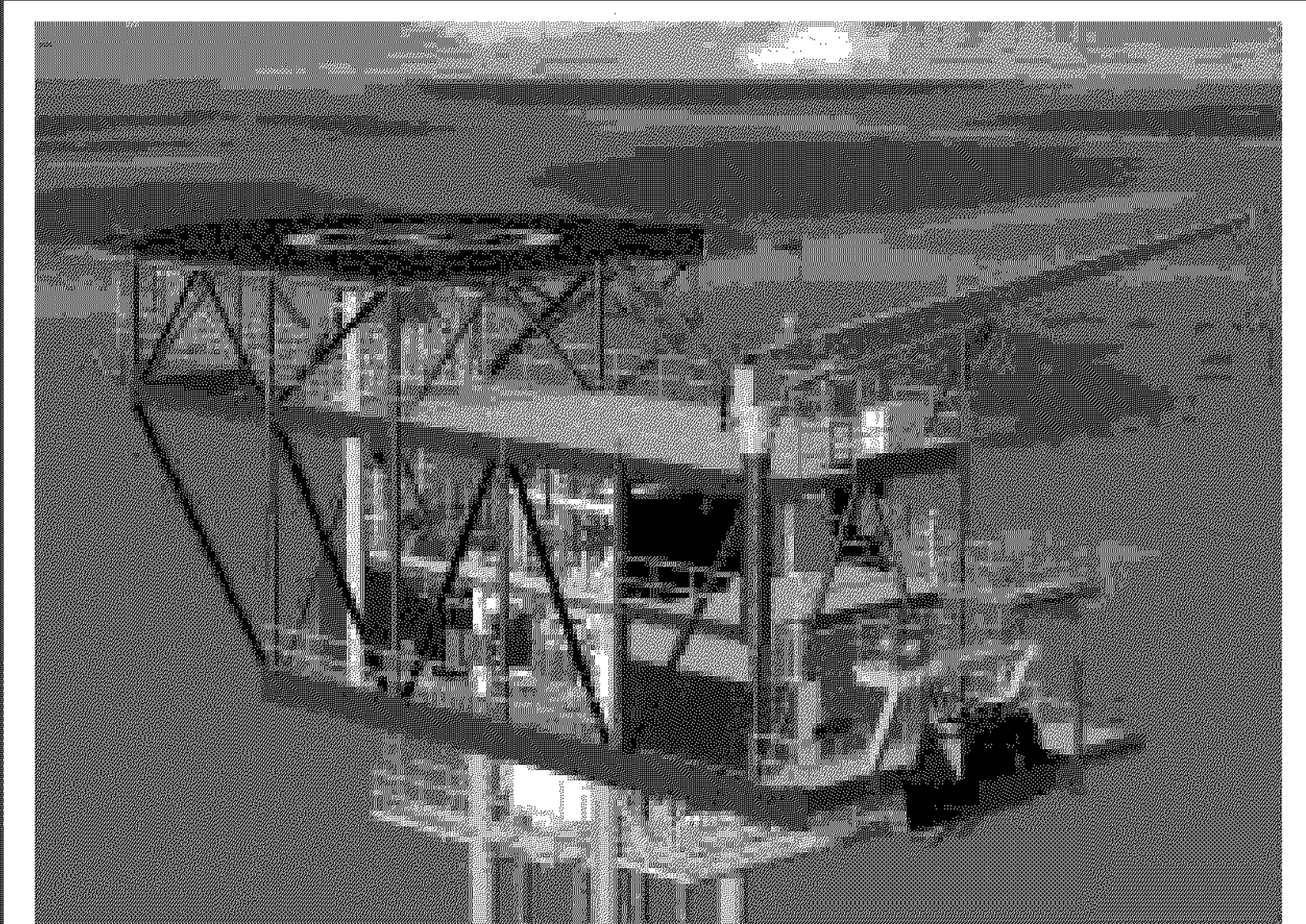
30 km

Offshore Pipelines & Cable

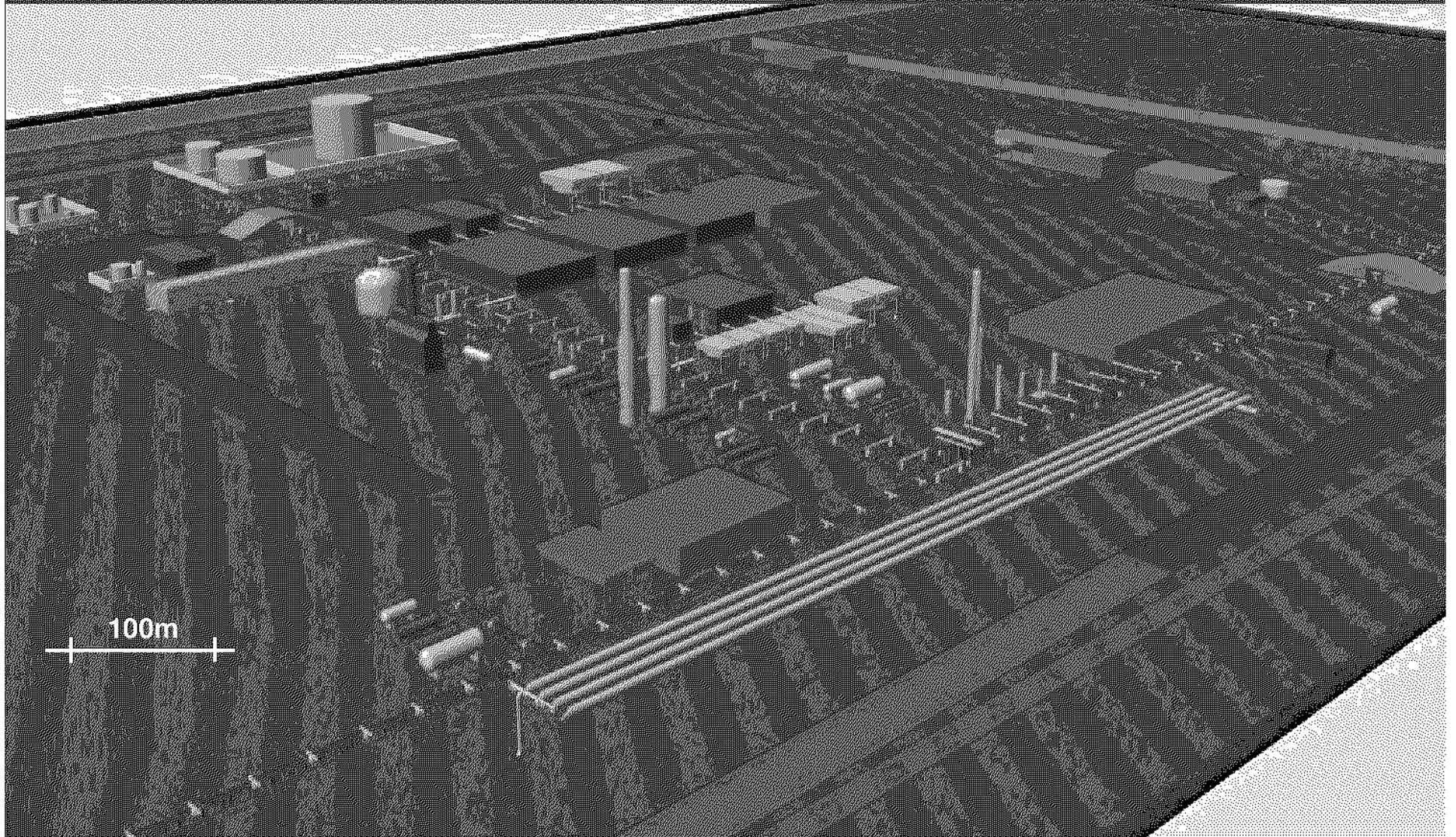
- Raw gas export pipeline
- Combined power communications and chemicals umbilical



Kupe - Wellhead Platform - Topsides



Kupe – Onshore Production Station





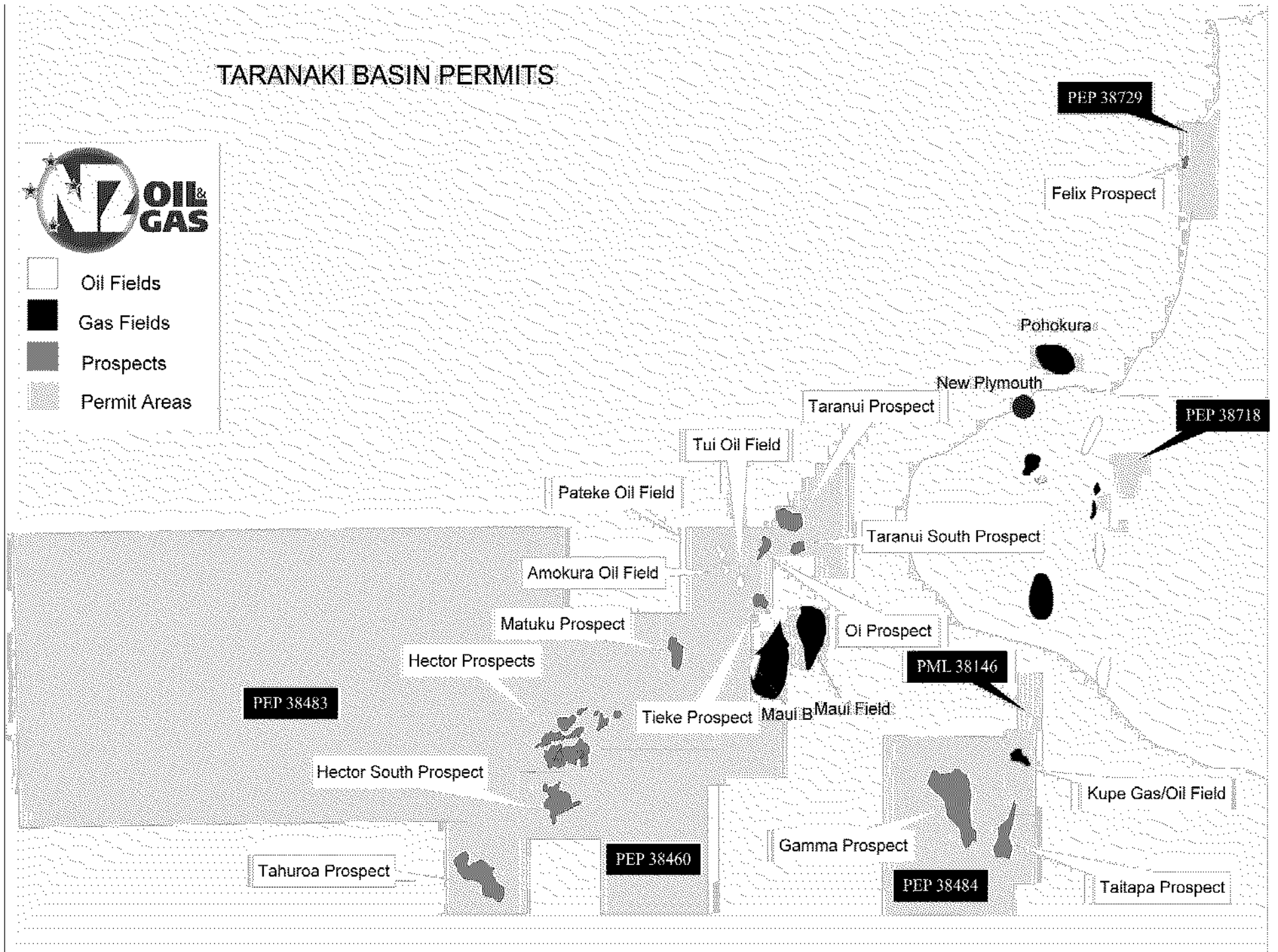
Exploration Targets

- Hector - an oil prospect in West Tui permit
- Tieke - an oil prospect next to Tui field
- Taitapa - an oil prospect West of Kupe
- Hector South - a large oil prospect in Tui permit

TARANAKI BASIN PERMITS



- Oil Fields
- Gas Fields
- Prospects
- Permit Areas



Hector (NZOG 18.9%)



- 3D survey identified several targets in Kapuni sands identified; drilling planned for 2006
- Main prospect 58 MMbbl recoverable reserve potential plus
 - several subtle closures (similar to Tui field)
- Kiwa-1 – 1981 targeted Kapuni Fm
 - drilled outside closure

Tieke Prospect (NZOG 12.5%)



- **Similar structure and distribution of F-sand to Tui area; 7km SE of Tui**
- **Predicted to be up-dip of Tui (as opposed to Kiwi-1)
→ low charge risk**
- **30 MMbbl recoverable reserve potential**
- **Tie-in to Tui development
→ Fast revenue generation on discovery**

Semi Submersible Drilling Unit



Pike Project Summary



- **Coal recovery** 16 m tonnes +
- **Capex** \$120 m
- **Final Invest Decision** Made Sept 2005
- **First production** Late 2006
- **Production rate** 200,000 tonnes (year 1)
1.1 m tonnes by 2008
- **Development** Underground coal mine
- mechanised equipment
and high pressure water
to cut coal



Location

Taranaki

Greymouth

Wellington

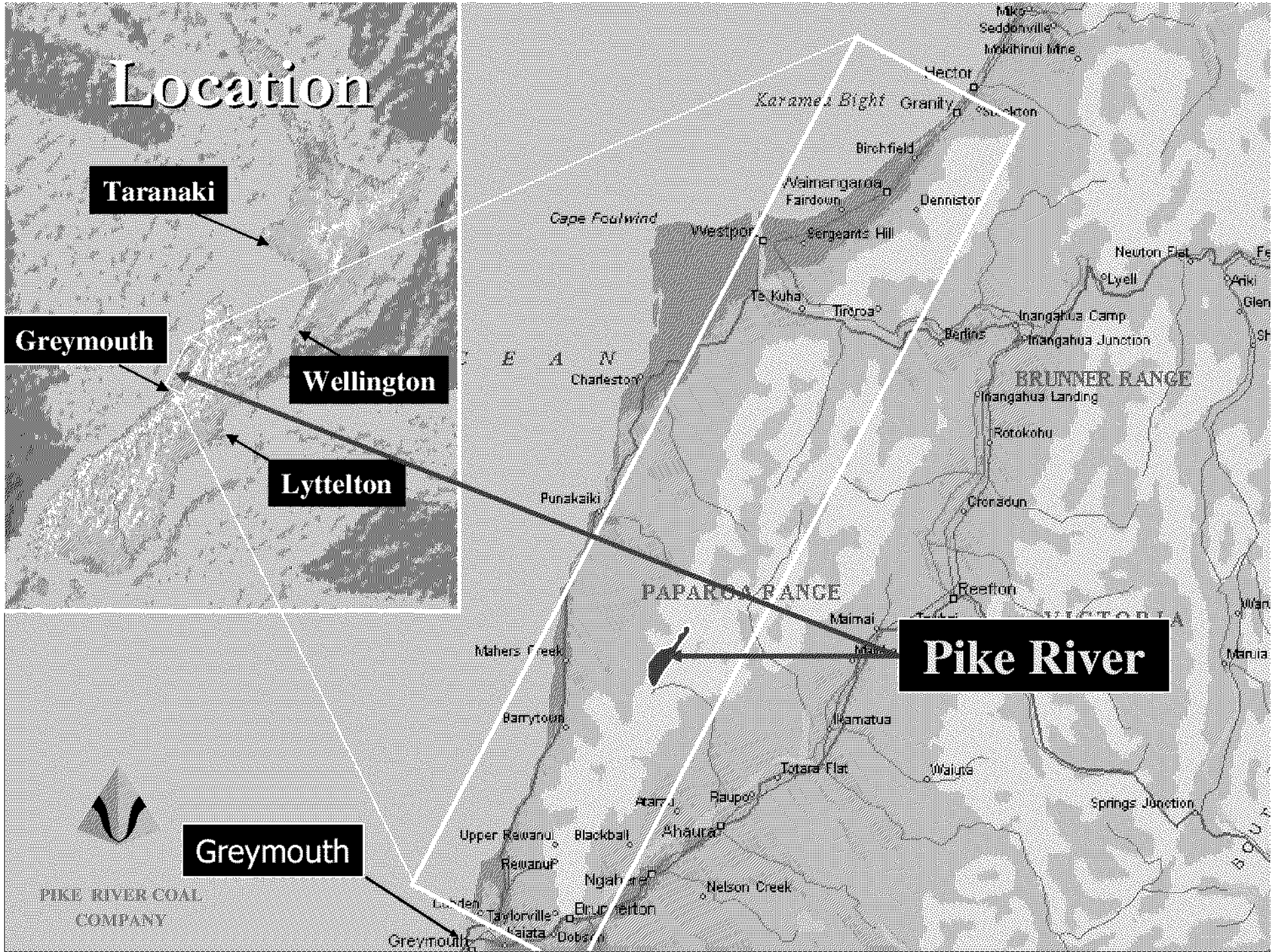
Lyttelton

Greymouth

Pike River

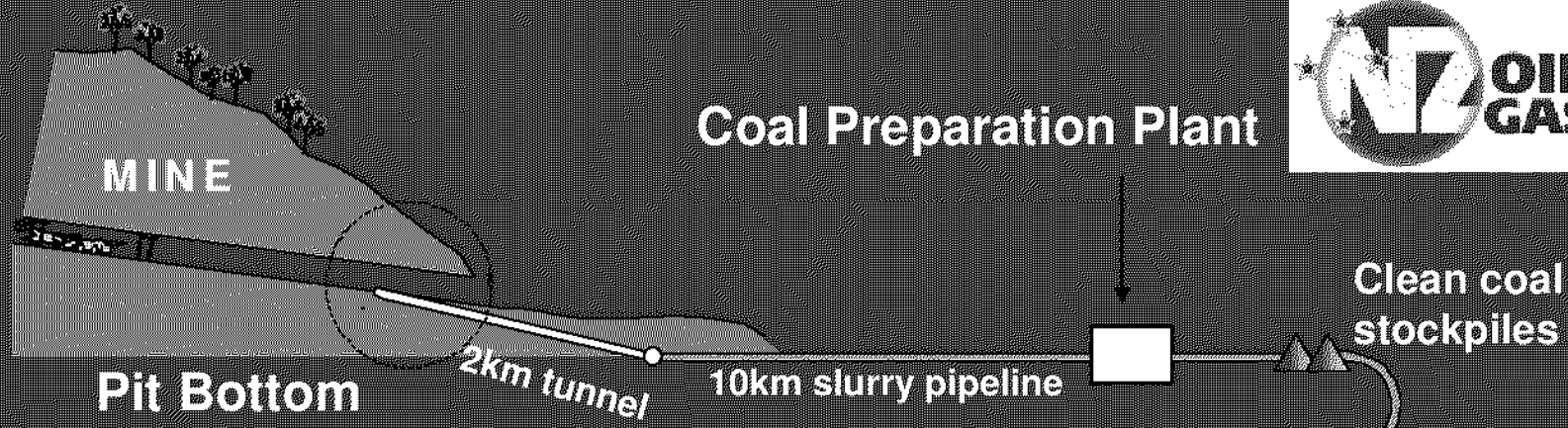


PIKE RIVER COAL
COMPANY



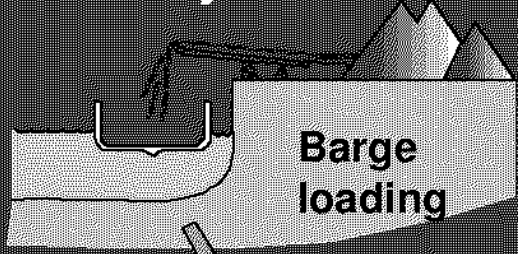


Coal Preparation Plant

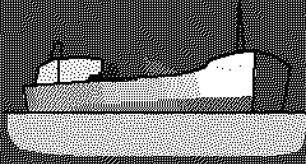


Clean coal stockpiles

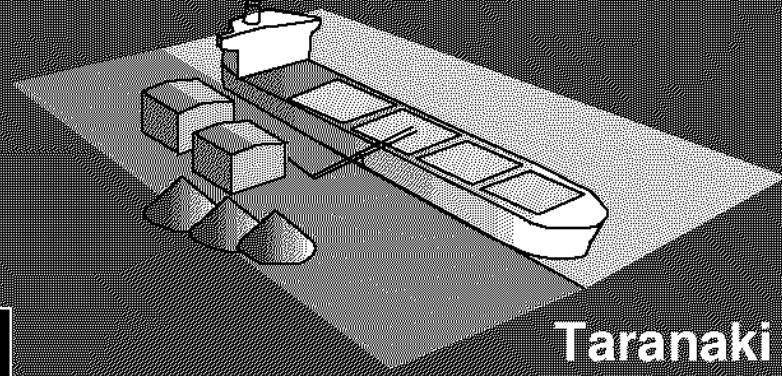
Greymouth



Truck 46 km to Greymouth or Rail direct to Lyttelton



Barge or ship



Pike River Schematic Overview

Export Port Options



Port Taranaki



Port Lyttelton



Port Kembla



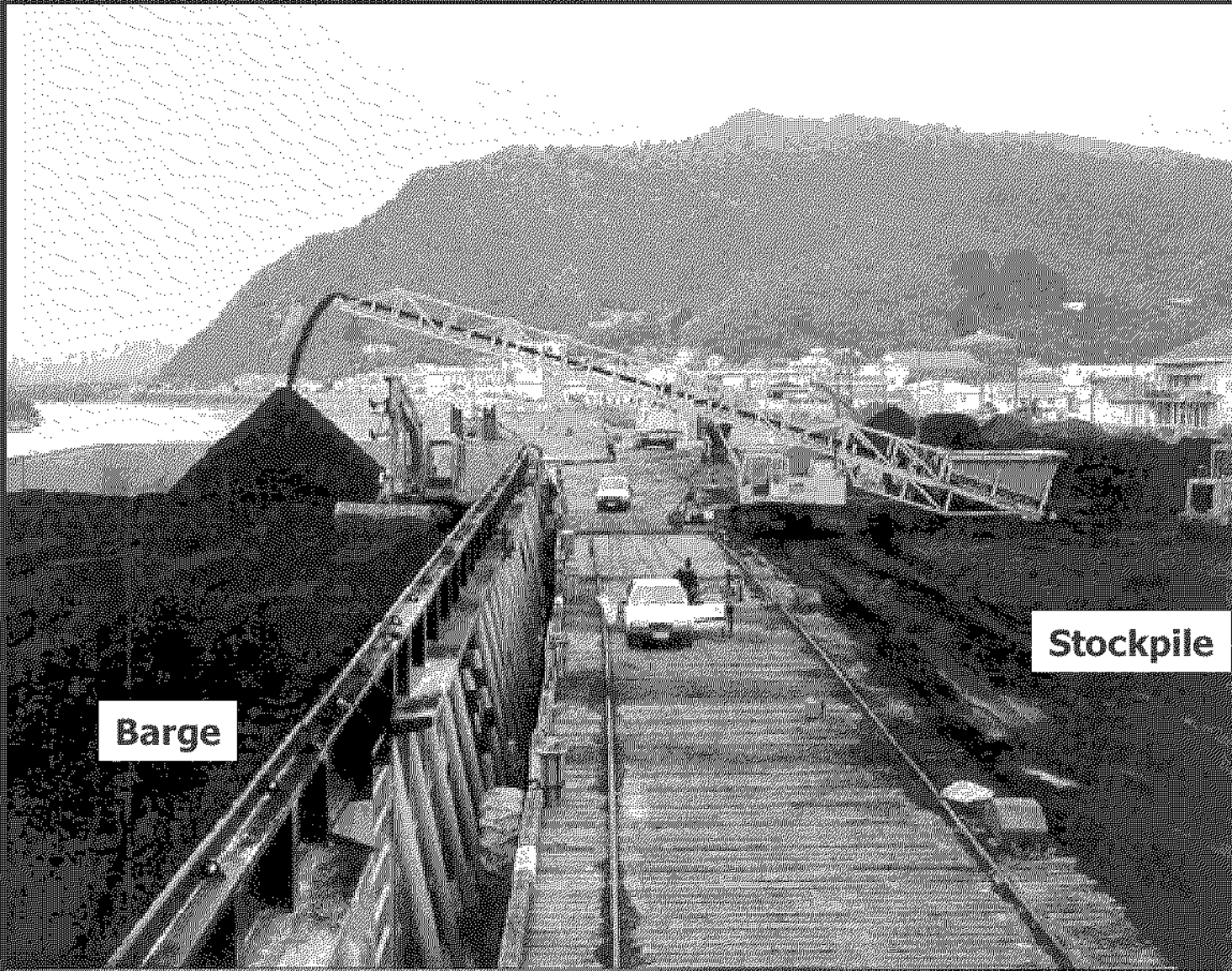
- Extensive evaluation of transport options over past year
- Greymouth Port will be used
- Midlands rail-line has capacity limitations
- Decision on transport route in next month

Barging Operation from Greymouth



**8,000 tonne
barge**

Greymouth Port



Barge

Stockpile

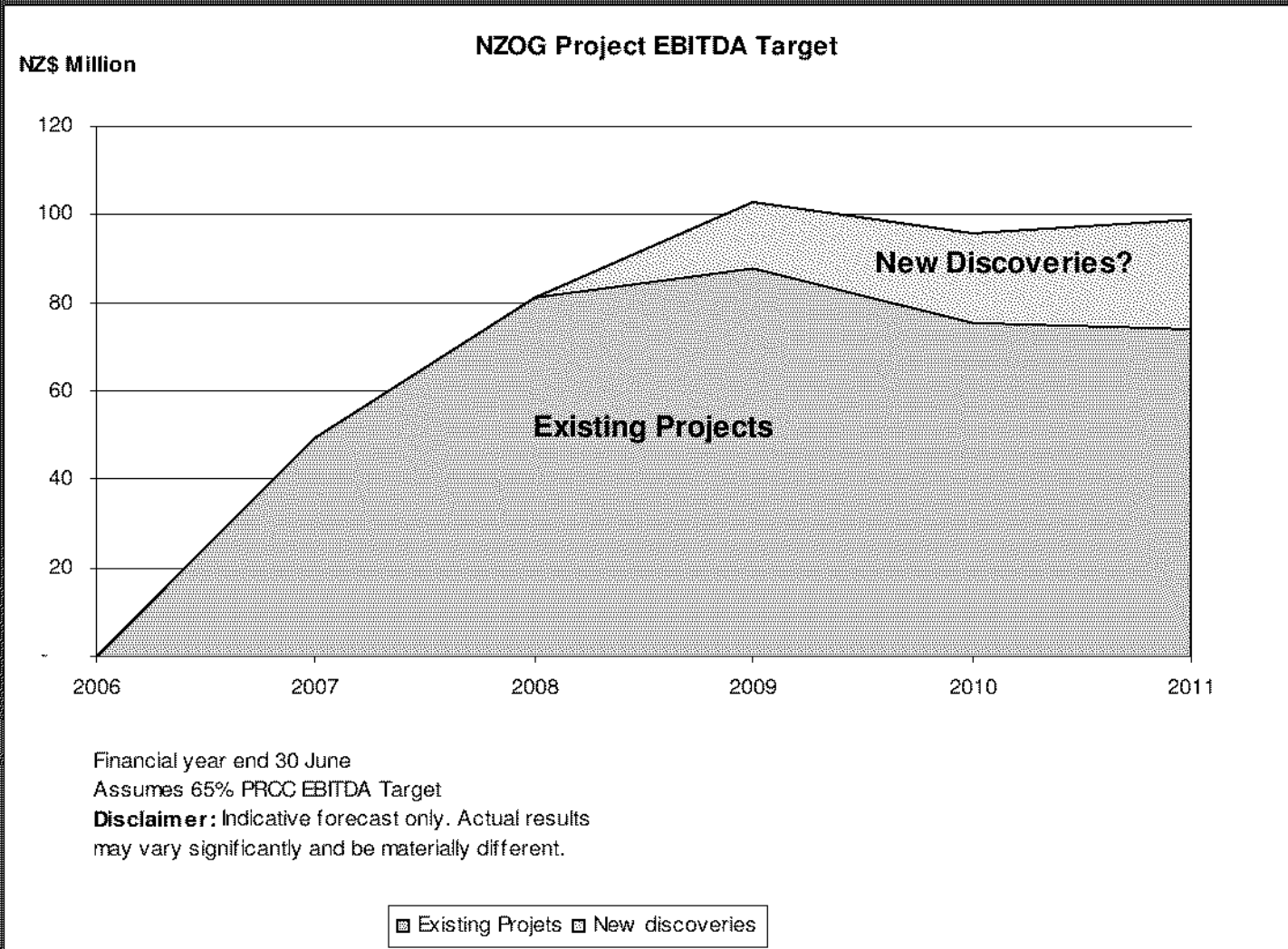
Pike River Coal (69%)



- **Funding** \$40m in equity – Saurashtra Fuels and NZOG. Planned bank debt of \$65m (in progress)

- **IPO** Planned for March 2006 – preferential entitlement for NZOG shareholders

NZOG Project EBITDA Target



NZOG Summary



- Valuable assets moving through development
- Prime 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.