



Investor Presentation

7 June 2006

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www.nzog.net

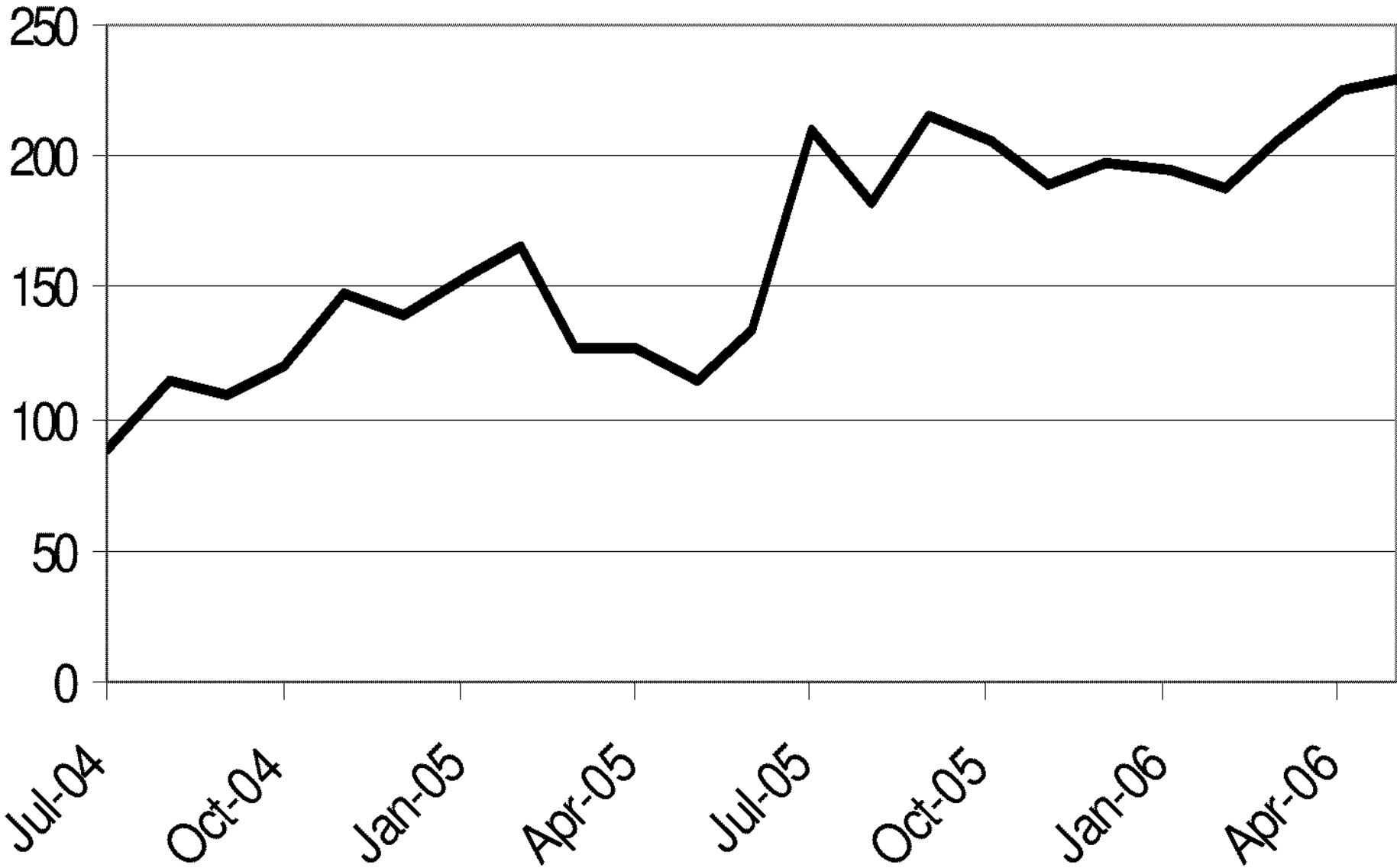
NZOG Overview



Listed	NZX and ASX
Market Cap	NZ \$230m
Shareholders	11,000 mostly New Zealanders, with institutions holding 13%
Major Developments	Tui, Pike River, Kupe
Exploration	Drilling targets in prime location
Commodity Prices	Oil, gas and coking coal at near record prices

NZOG MARKET CAPITALISATION

NZ\$ Millions



Major Growth Assets



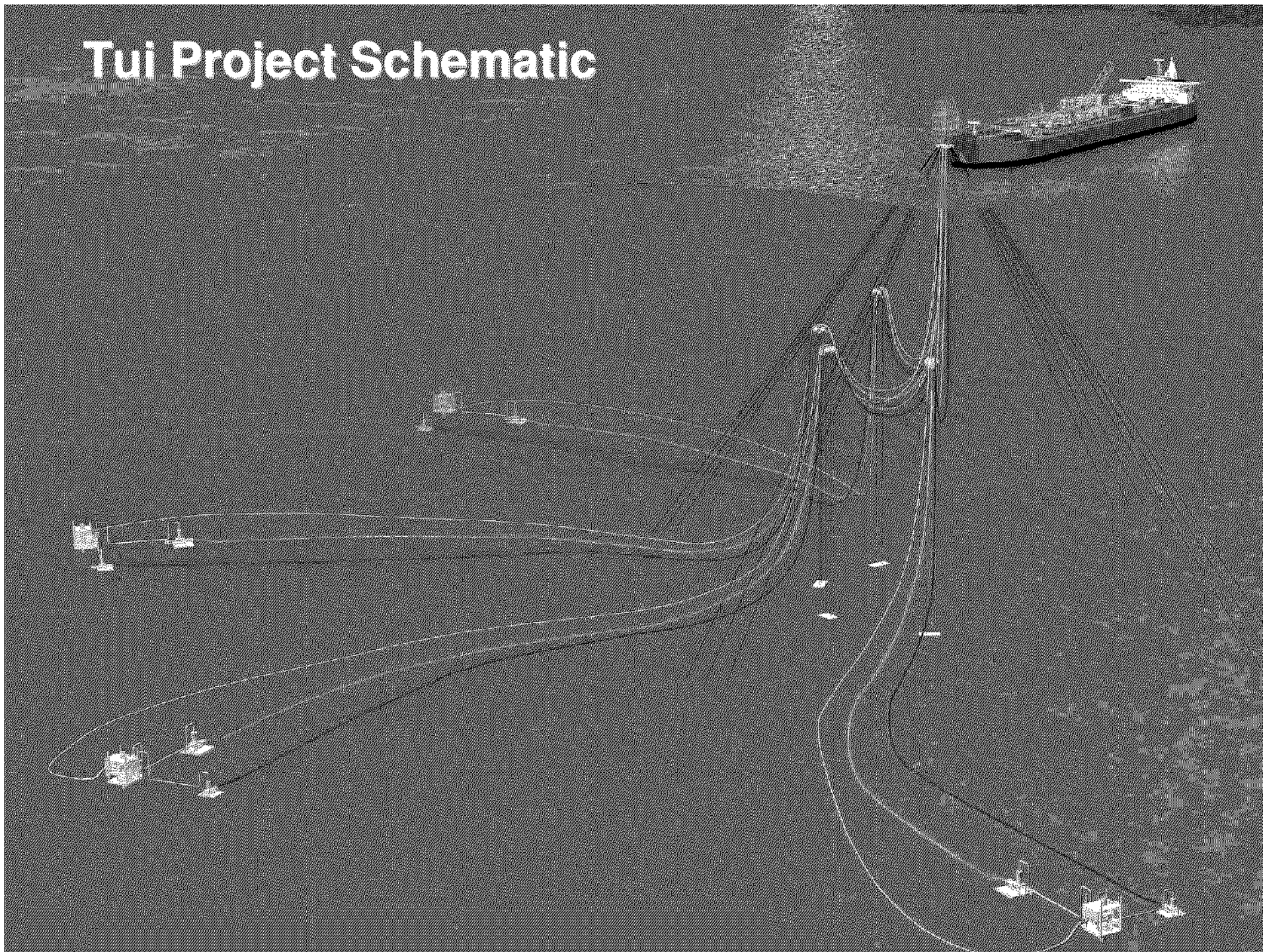
Project	Final Investment Decision	First Production Target
Pike Coal (69%)	Sep 2005 Qtr (made)	Sep 2007 Qtr
Tui Oil Fields (12.5%)	Dec 2005 Qtr (made)	Jun 2007 Qtr
Kupe Gas/Oil (15%)	Jun 2006 Qtr (imminent)	Late 2008

Tui Oil Fields - Summary



- **Oil recovery** 27.9 million barrels
- **Capex** US\$204 m +/- 10%
(excl. FPSO lease)
- **Final Invest Decision** November 2005
- **First oil** June 2007 qtr
- **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 to tieback 3 oil pools

Tui Project Schematic

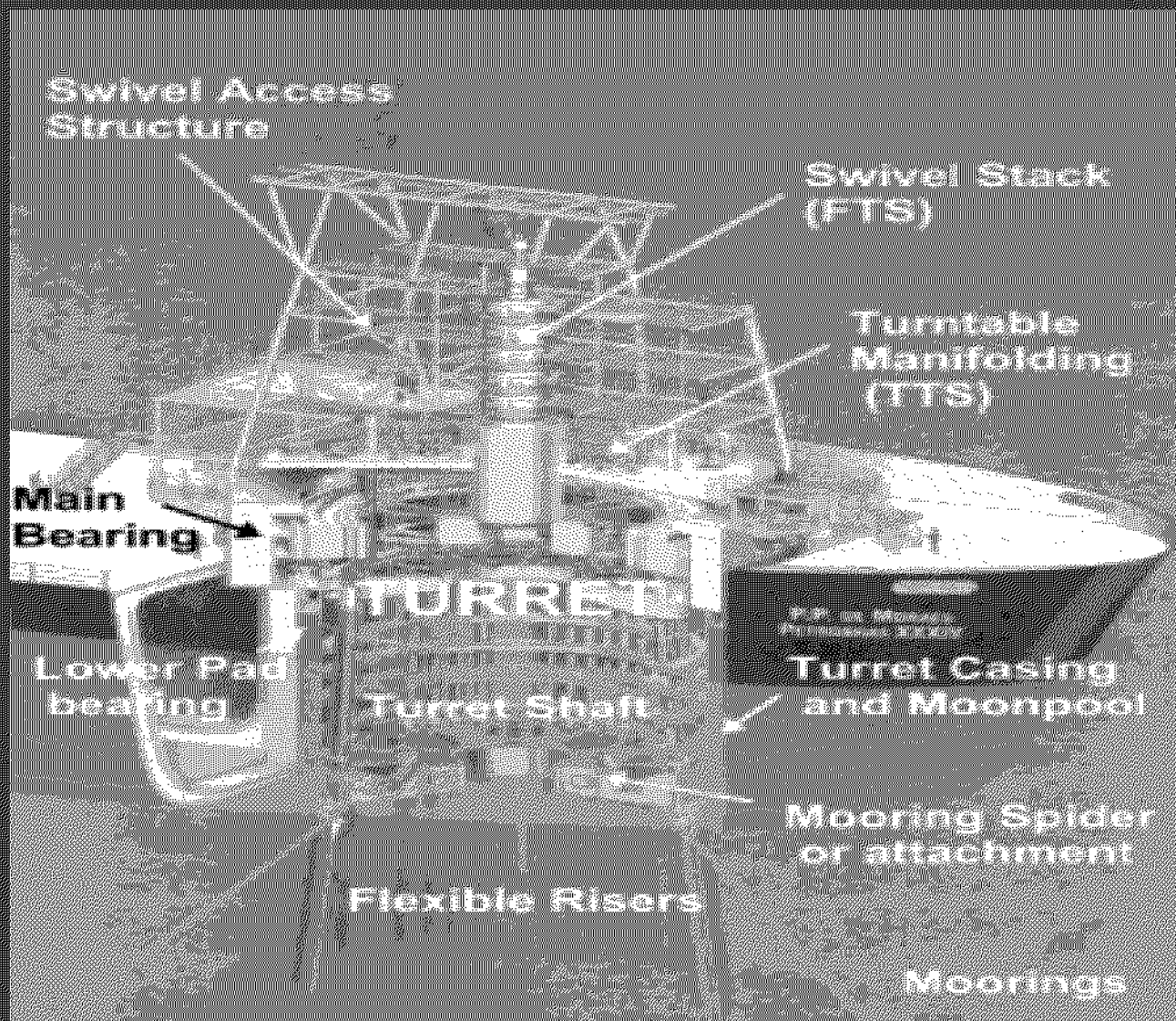




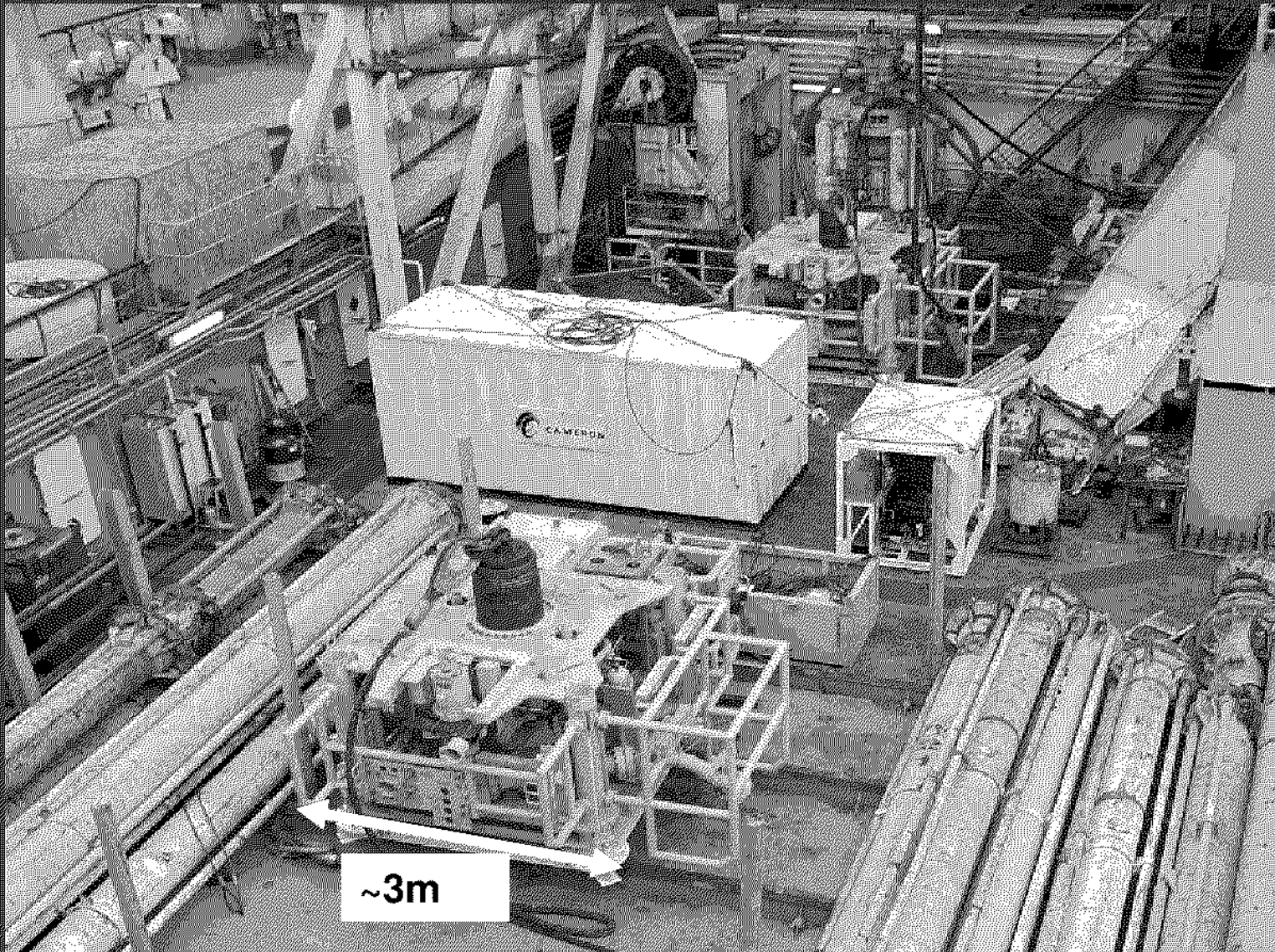
Tui - FPSO

- **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



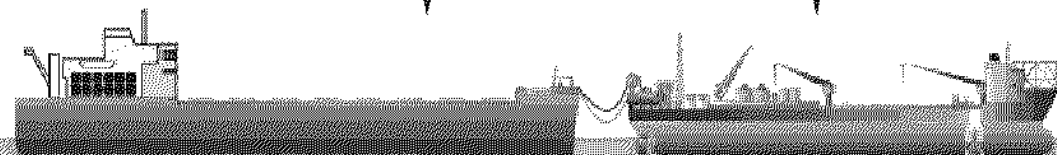


Tui Oil Development

Oil Tanker
Transporting
Oil to Markets

FPSO Production
and Storage Vessel

Coastline 40km



Anchors

120 metres

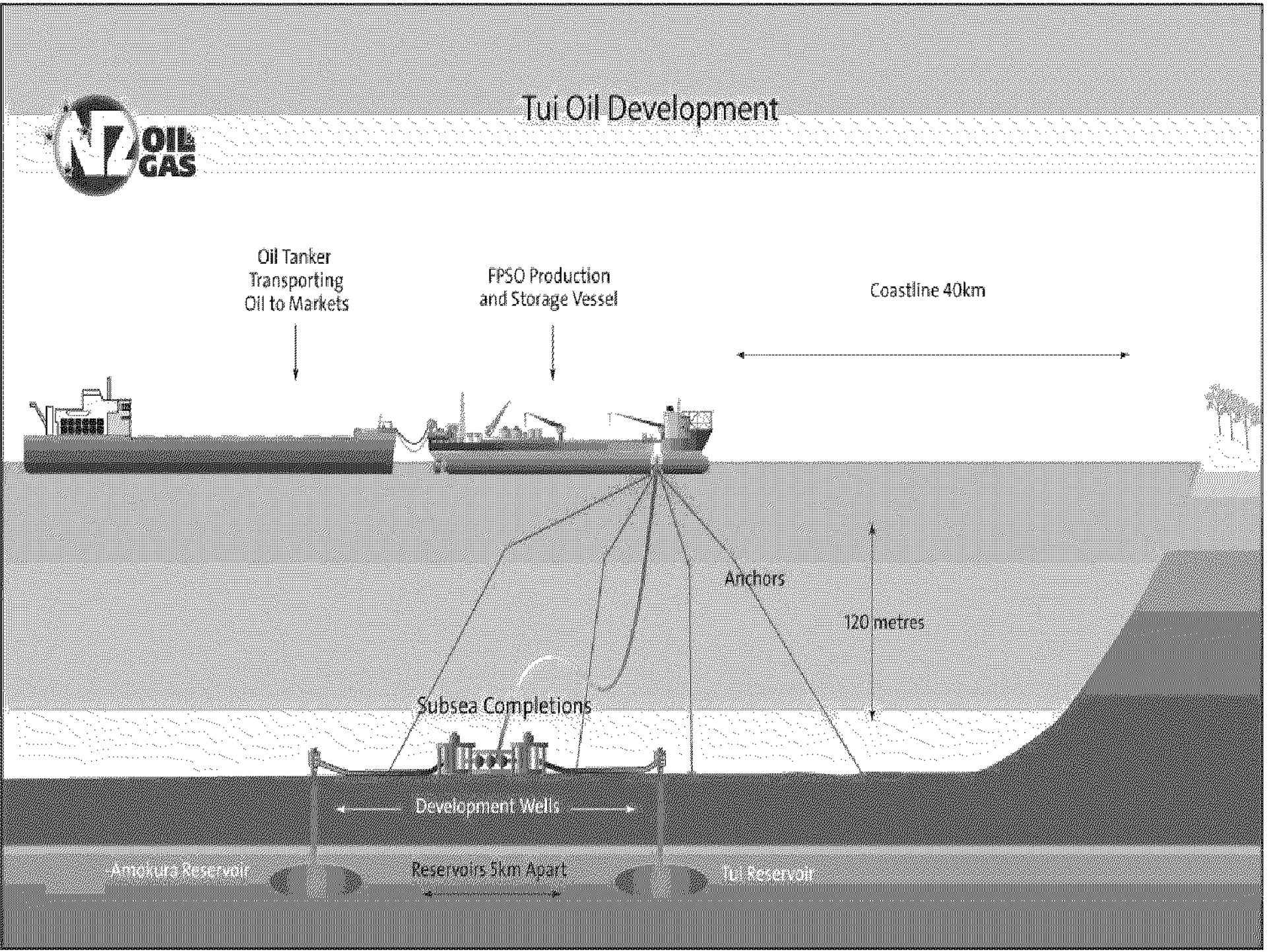
Subsea Completions

Development Wells

Amokura Reservoir

Reservoirs 5km Apart

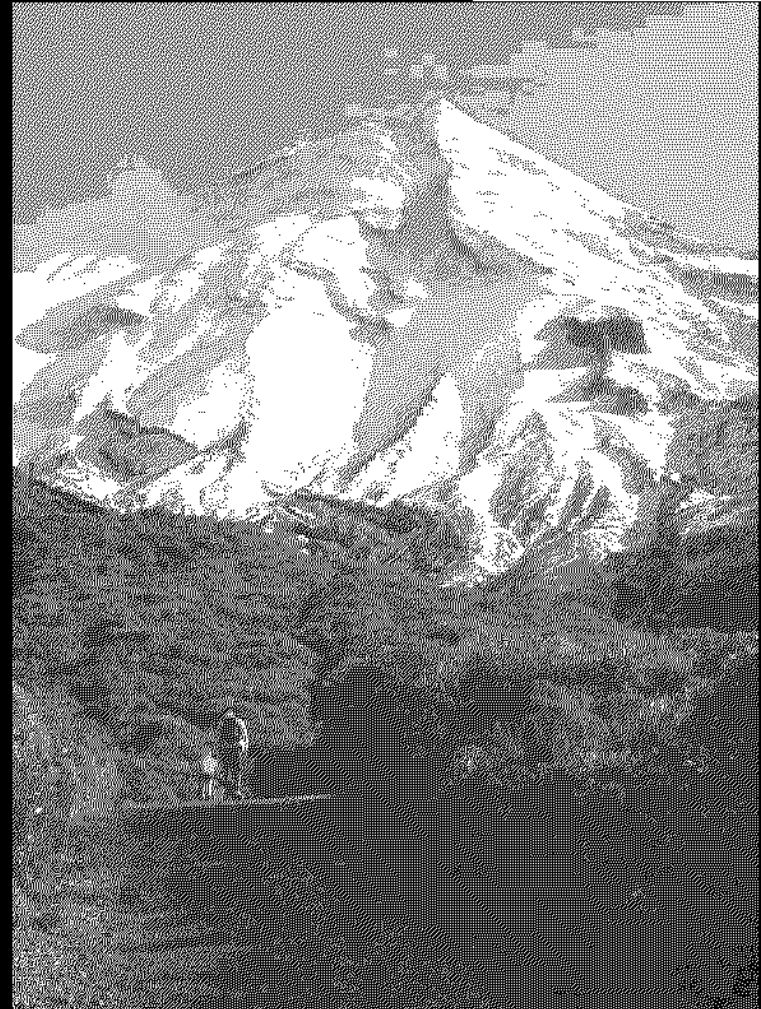
Tui Reservoir



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 Gas/Condensate Summary



- **Gas recovery** 281 petajoules (PJ)
- **Condensate recovery** 14.7 million barrels
- **LPG** 31 PJ
- **Capex** Being determined by tender
- **Final Invest Decision** June 2006 quarter (approx)
- **First production** Late 2008
- **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

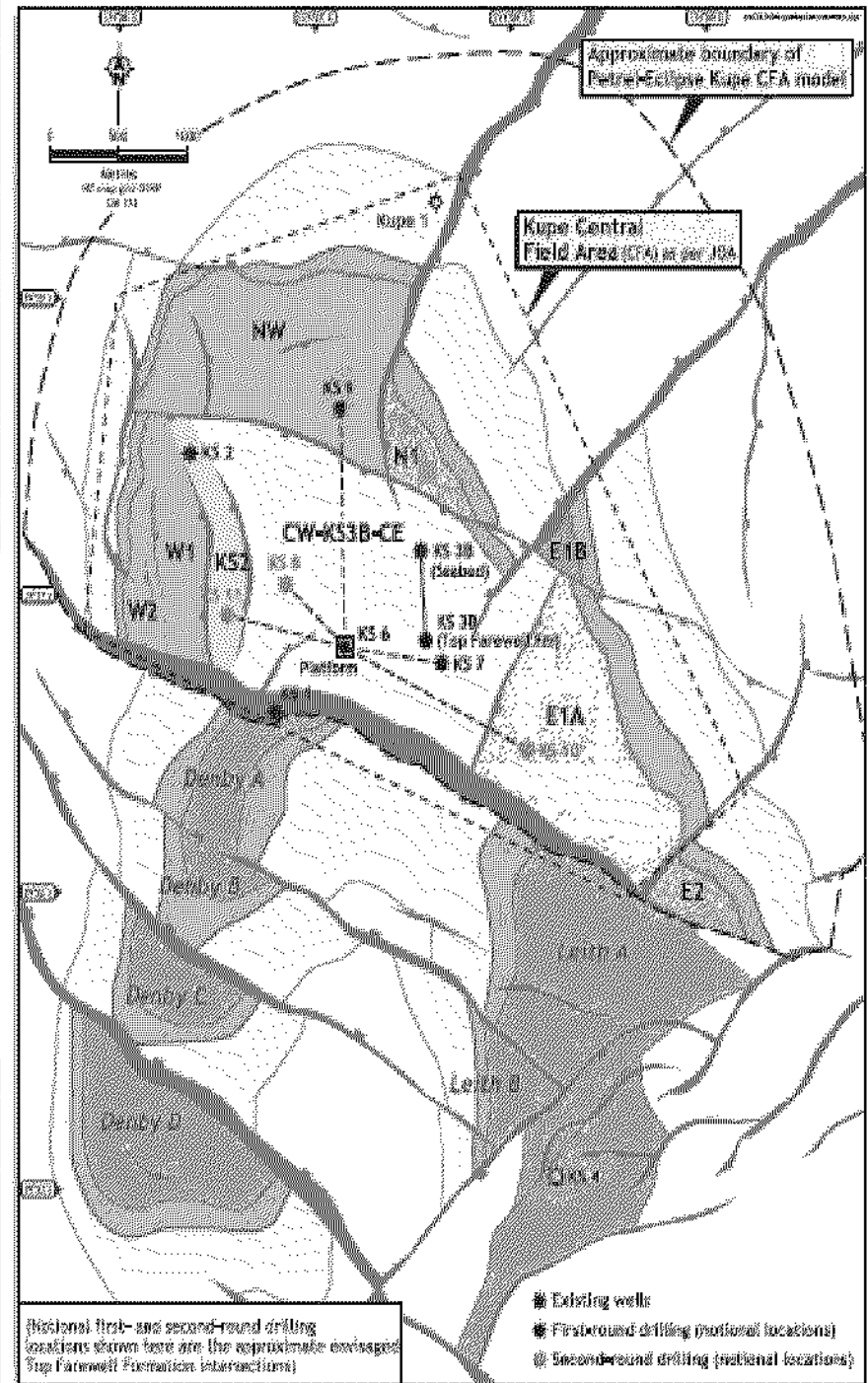
Reserves revised in 2005 following a major reinterpretation

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

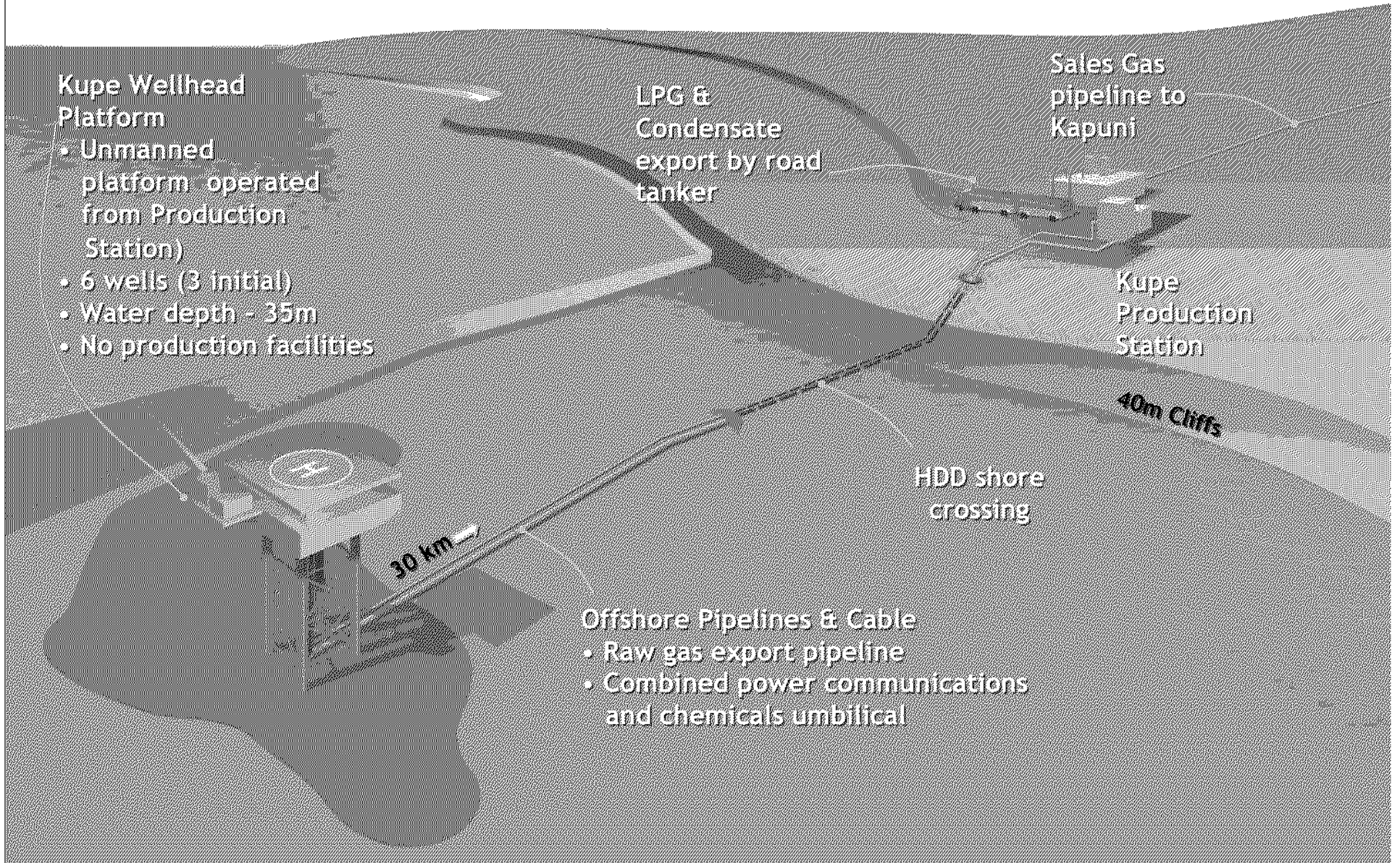
40m Cliffs

HDD shore crossing

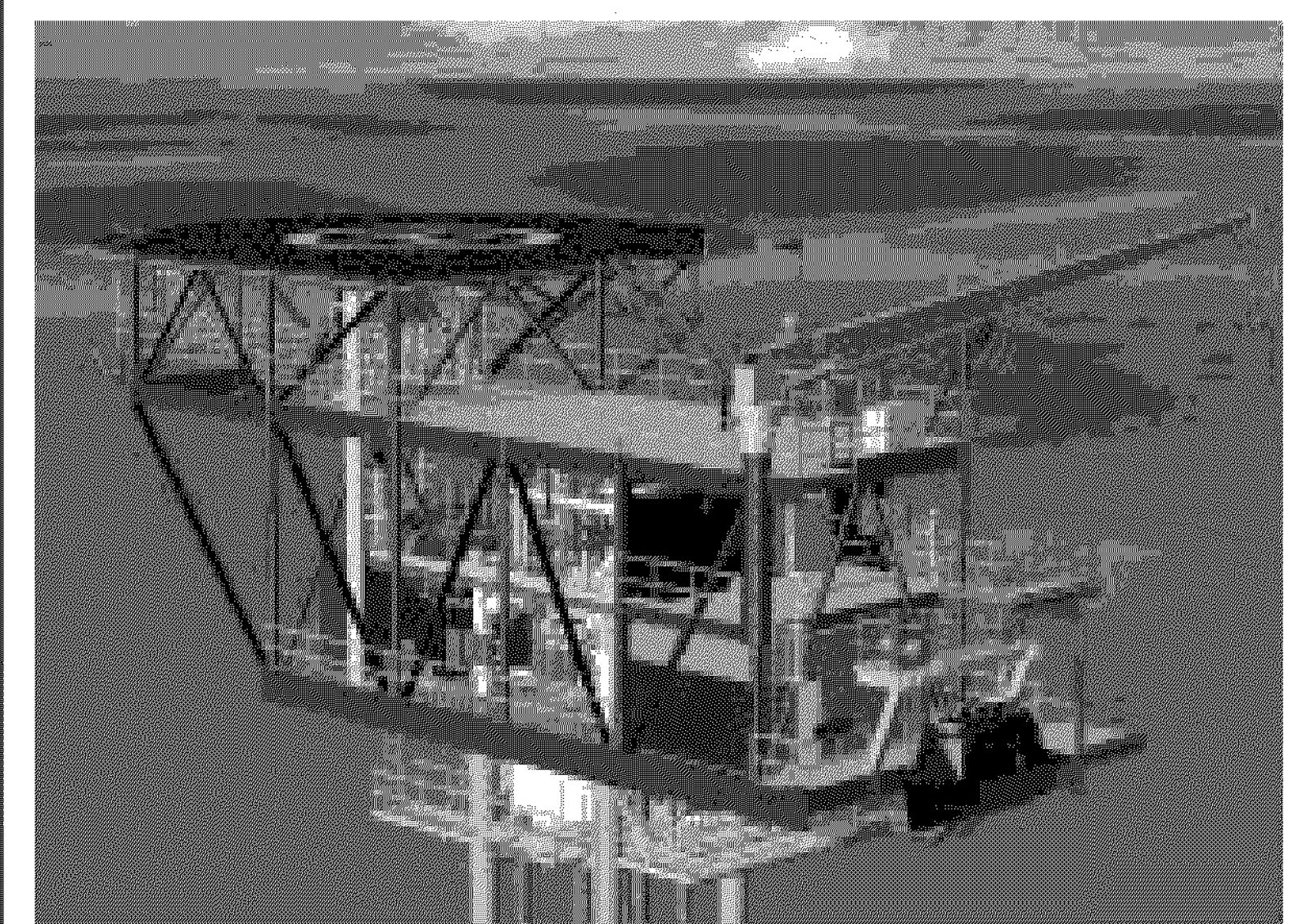
30 km

Offshore Pipelines & Cable

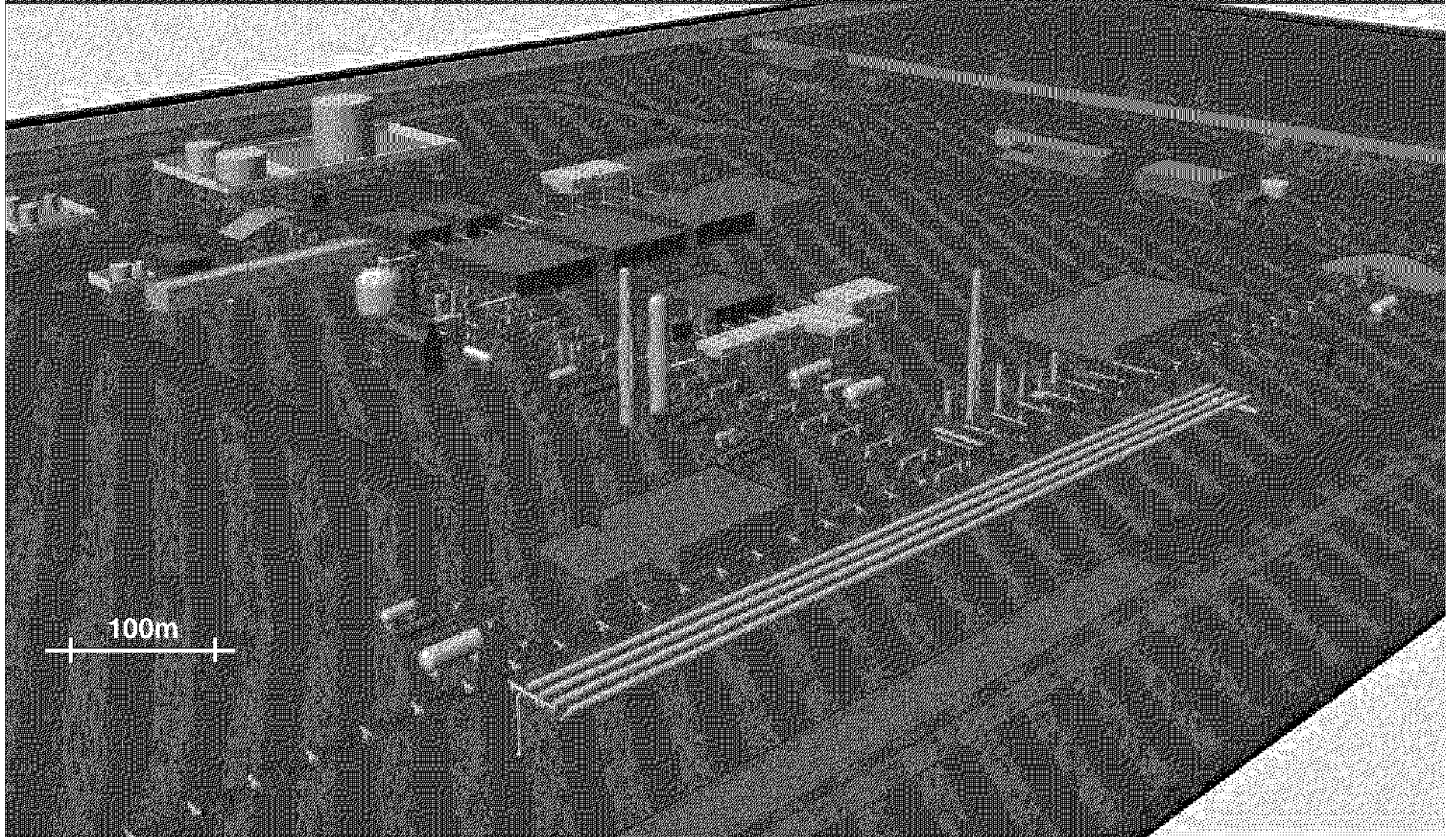
- Raw gas export pipeline
- Combined power communications and chemicals umbilical



Kupe - Wellhead Platform - Topsides



Kupe – Onshore Production Station



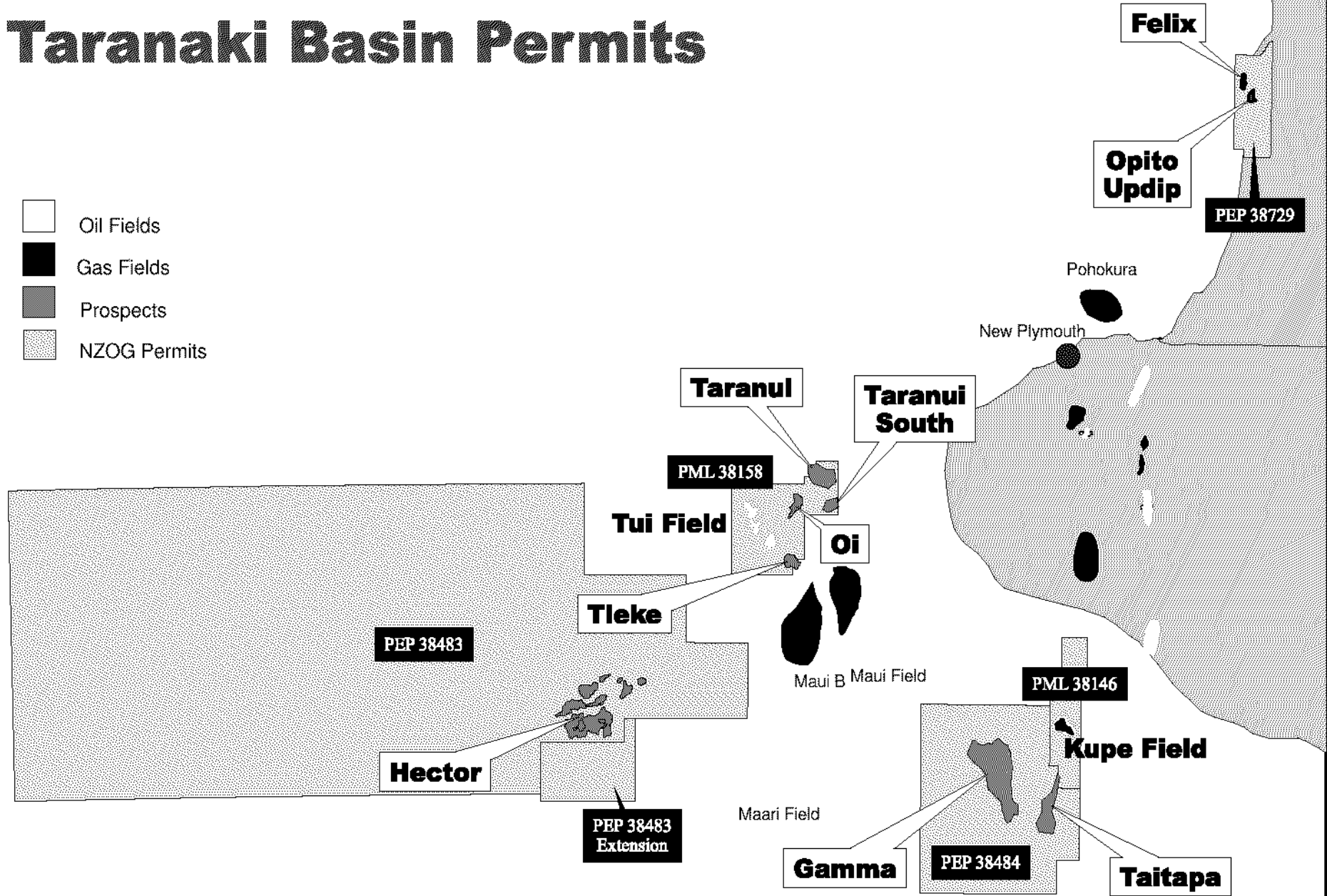
Exploration Drilling



NZOG

Taranaki Basin Permits

- Oil Fields
- Gas Fields
- Prospects
- NZOG Permits





Upcoming Exploration Wells

Western Taranaki Oil Fairway proven by Tui discovery

- Hector-1 (Oct'06) 50-60 MMbbl recoverable oil prospect in West Tui permit
- Tieke-1 (April'07) 5-15 MMbbl recoverable oil prospect next the Tui fields
- Taranui-1 (May'07) 5-25 MMbbl recoverable oil prospect next to the Tui fields

Hector-1

PEP 38483 (NZOG 18.9%)



- Main prospect 50-60 MMbbl recoverable oil potential as defined by new 3D seismic.
- Prospect within larger Kapuni C-sand closure identified on existing 2D seismic coverage provides significant upside potential.
- Plus several subtle closures (similar to Tui field)

Tieke-1

PMP38158 (NZOG 12.5%)



- **Similar structure and distribution of F-sand to Tui area; 7km SE of Tui**
- **Predicted to be up-dip of Tui → low charge risk**
- **15 MMbbl recoverable oil potential**
- **Tie-in to Tui development**
→ **Fast revenue generation on discovery**

Taranui-1

PMP38158 (NZOG 12.5%)



- **Similar structure and distribution of F-sand to Tui area; ~15 km NE of Tui**
- **25 MMbbl recoverable oil potential**
- **Tie-in to Tui development**
→ **Fast revenue generation on discovery**

Exploration Prospects/Leads

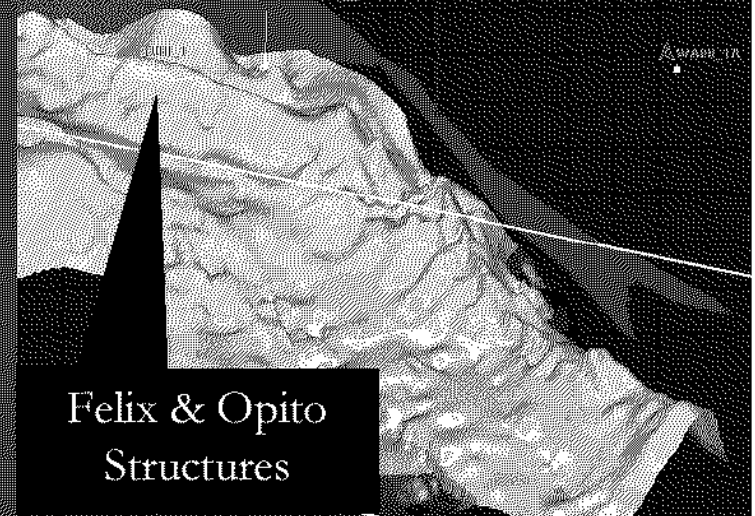


Northern Taranaki Oil Fairway

Felix and Opito-Updip Structures (PEP 38729)

- 10-70 MMbbl recoverable oil potential in Kapuni C-sand (sand fairway is the northern extension of Tui/Maui fields).
- Transition Zone Seismic Survey planned for 2006.
- Closures located close to shore and deviated lower cost onshore drilling possible.

C-sand depth structure



Prospects and Leads Inventory



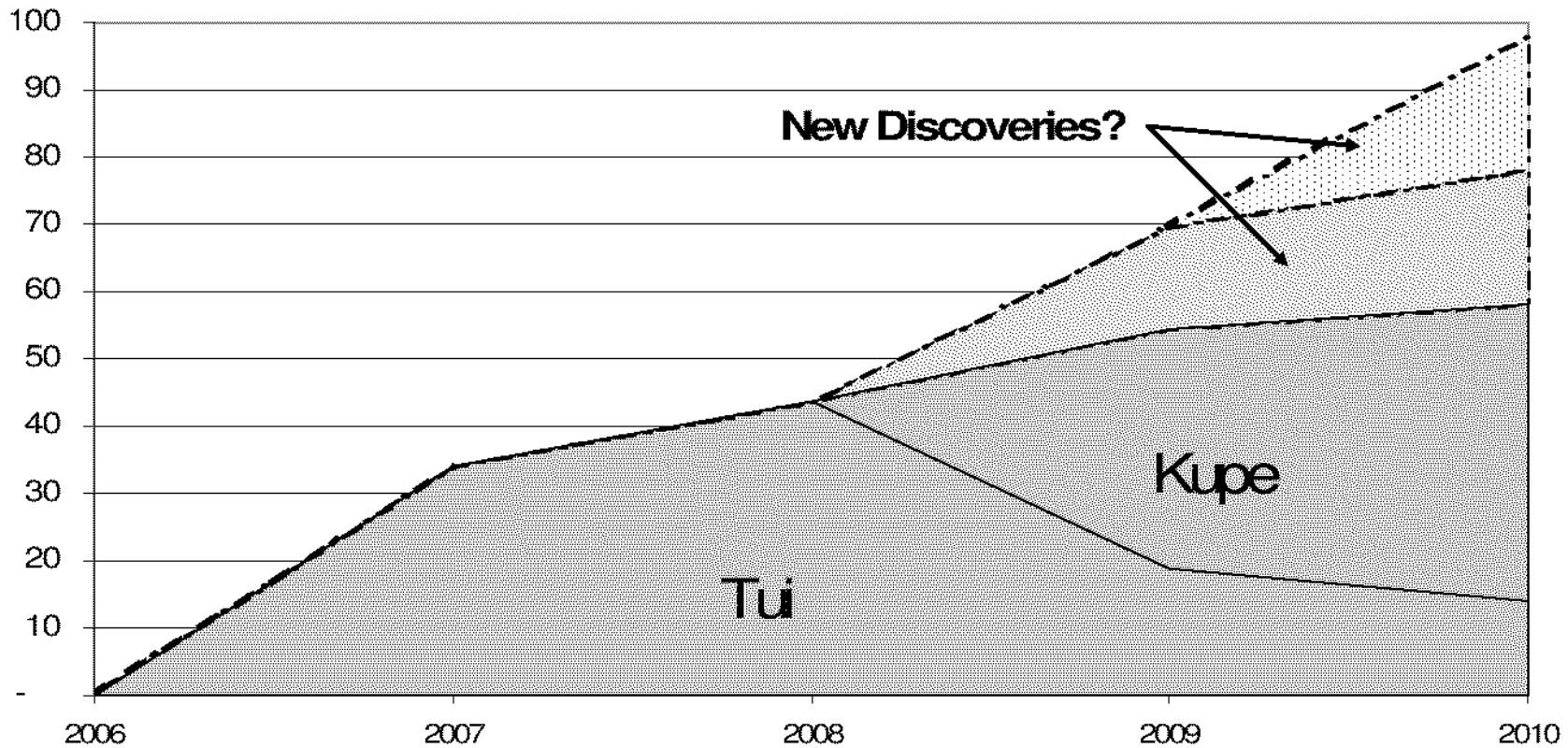
- **Several follow-up targets in Tui Mining Licence (in addition to Tieke & Taranui wells)**
 - Tui SW, Oi and Taranui South Prospects (subtle closures similar to Tui)

- **Substantial upside in Kupe Mining Licence**
 - Several prospects have been mapped by JV with 200Bcf upside potential
 - 3 drilling options on jack-up rig (ENSCO-107) for exploration drilling.
 - Tie-in to Kupe Central Field Area development

NZOG Oil & Gas Projects EBITDA



NZ\$ Million



Financial year end 30 June

Excludes Pike River Coal Limited

Long term exchange rate NZD/USD 0.60, Oil price USD 50 / bbl

Disclaimer: Actual results may vary significantly and be materially different.

NZOG Summary



- Valuable assets moving through development
- Prime exploration targets
- Experienced Board and Management
- 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.