

14 February 2024

## NEW ZEALAND OIL & GAS BUYS MORE OF THE MEREENIE GAS FIELD

### Highlights

- **Conditional acquisition of a further 25% interest in the Mereenie gas field, Amadeus Basin, NT, Australia**
- **Doubles Mereenie 2P Total reserves and increases NZO's net 2P Total Reserves by 41%**
- **Upfront payment of A\$42.5m, to be adjusted for revenues and costs from 1 April 2023, and further contingent payments of up to A\$9m**
- **100% vendor debt facility of up to A\$63m covers all purchase and transaction costs, with additional availability to fund development activity**

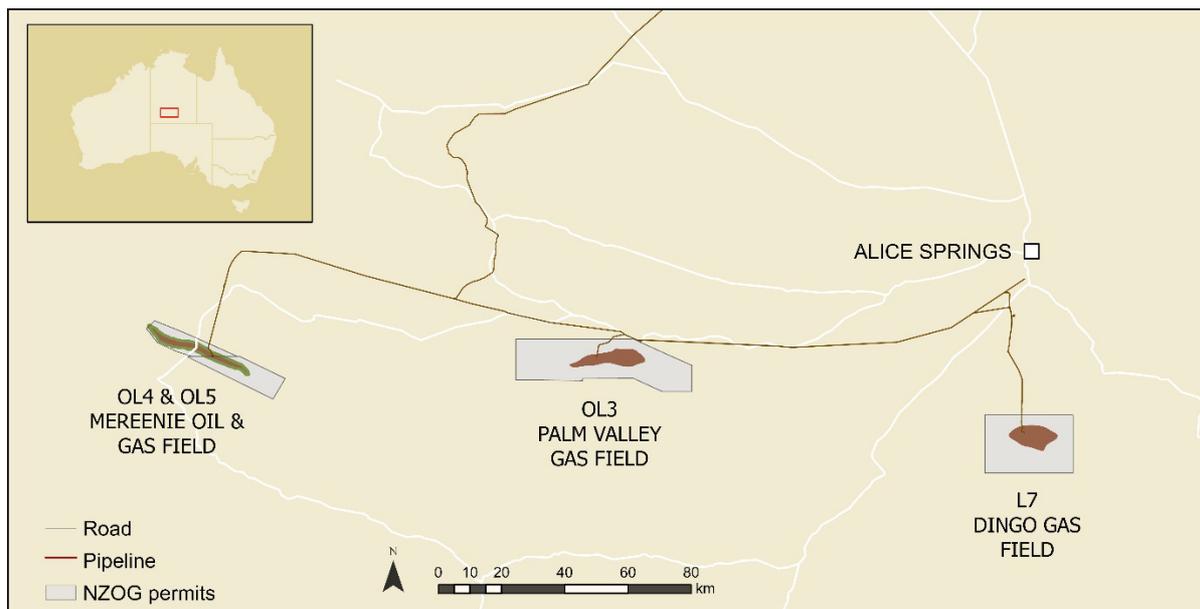
New Zealand Oil & Gas [ASX:NZO, NZX:NZO] has agreed to purchase from Macquarie Mereenie a further 25% equity interest in the Mereenie licenses, located in the Amadeus Basin in Australia's Northern Territory.

It will increase total 2P Group reserves by 41% to 23mmboe as at 1 July 2023. The acquisition will double the New Zealand Oil & Gas Group's reserves and production from the Mereenie field.

<b>MEREENIE 2P RESERVES AT 1 JULY 2023</b>	<b>Before Transaction</b>	<b>With Acquisition</b>
Developed Gas [PJ]	35.4	70.7
Developed Oil & Condensate [mmstb]	0.4	0.7
Undeveloped Gas [PJ]	3.5	7.0
Undeveloped Oil & Condensate [mmstb]	0.0	0.0
<b>Total Equivalent [mmboe]</b>	<b>6.7</b>	<b>13.4</b>

The reserves indicated are for New Zealand Oil & Gas Group which includes Cue Energy Resources Ltd 7.5% interest, New Zealand Oil & Gas has a 50.04% interest in Cue.

See reserves disclosure statement in the New Zealand Oil & Gas 2023 Annual Report, p. 14, available at <https://www.nzog.com/investor-information/company-reports/annual-reports/>



Macquarie Mereenie Pty Limited has agreed to sell its entire 50% interest in Mereenie. In addition to the 25% acquired by NZO, Horizon Oil Limited [HZN] will acquire the remaining 25%. On completion, the participating interests will be:

- New Zealand Oil & Gas 42.5%
- Horizon Oil 25%
- Central Petroleum [Operator] 25%
- Cue Energy Resources [Cue] 7.5%

Including Cue’s 7.5% interest, the New Zealand Oil & Gas Group’s interest in Mereenie is 50%.

New Zealand Oil & Gas will make an upfront payment of A\$42.5 million for the asset, plus further contingent payments of A\$9 million over the next 24 months subject to certain conditions being met. The upfront payment will be adjusted for working capital and cashflows from the effective date of the agreement, 1 April 2023.

Macquarie Bank will provide vendor financing for 100% of the purchase price (including contingent payments), third party transaction costs and future development activity up to a total debt of A\$63 million. Utilisation of the full debt facility will be determined by the scope of as yet, uncommitted development activity. The 7-year debt facility is secured by all New Zealand Oil & Gas Amadeus Basin assets. It may be repaid, redrawn or cancelled in whole or part.

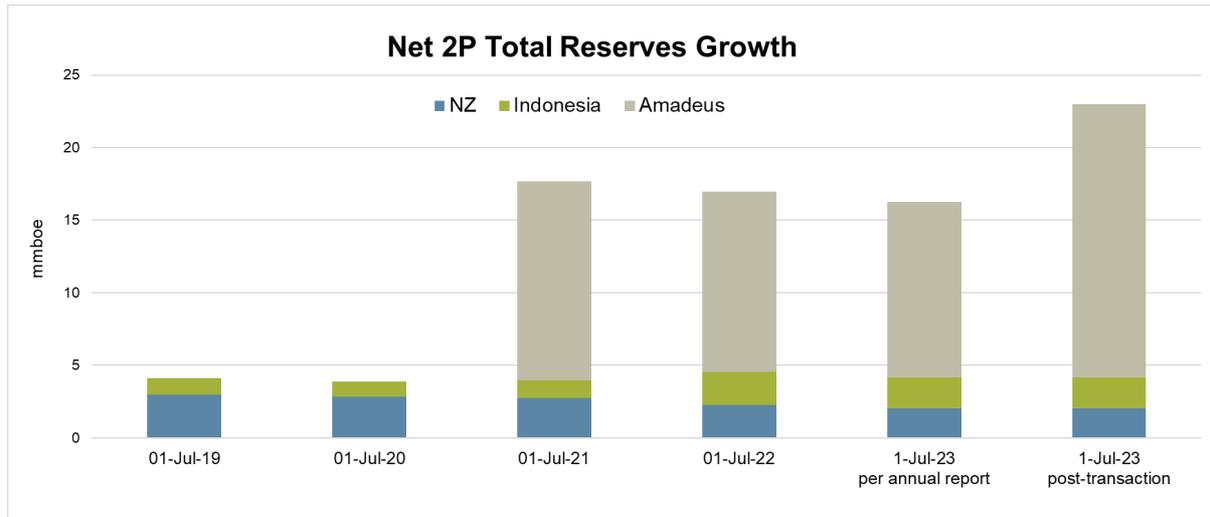
New Zealand Oil & Gas acquired its initial interest in the Mereenie field from Central Petroleum in a transaction agreed in 2021.

“What a great way to start the year, buying more of something we really like”, New Zealand Oil & Gas Chief Executive Andrew Jefferies says.

“The Mereenie asset has been a consistent performer with development upside. Gas prices in Australia’s East Coast markets are strong because natural gas is needed for the low carbon energy transition. We have secured gas sales agreements directly into that market.

“In addition to reducing emissions in the energy system, natural gas from Mereenie powers diverse processes: mining needed for EV and wind turbine manufacture; electrical plant to back-up variable wind and solar; cooking our Australia day prawns. We previously announced a Memorandum of Understanding to investigate helium recovery at the Mereenie gas plant.

“In the past year to 30 June 2023, revenue from our Amadeus Basin assets was up 47% compared to the previous year because of our strategy of growing through acquisition and developing our producing assets. Taking a larger share of Mereenie means we are poised to continue growing.



“In June this year, re-completions increased production from Mereenie by 1.5TJ per day. A campaign of in-field data acquisition commenced late in the third quarter, that will optimise infill drilling at Mereenie. Future activity includes two infill wells in the first half of calendar year 2024, with the Stairway appraisal and further infill wells commencing thereafter. We are also currently installing a flare gas recovery compressor further boosting production and reducing emissions.”

The sale and purchase agreement is subject to customary conditions, including regulatory approvals, Joint Venture and landowner consents, as well as assignment of key contracts. It is also subject to the availability of the vendor financing described above, which means it will not complete unless the debt facility is executed. Relevant conditions must be satisfied or waived within 90 days, with a 30-day extension possible.



## Compliance Statements

Oil and gas reserves are reported as at 1 July 2023 and follow the SPE PRMS Guidelines (2018).

This resources statement is approved by, based on, and fairly represents information and supporting documentation prepared by New Zealand Oil & Gas Assets & Engineering Manager Daniel Leeman. Daniel is a Chartered Engineer with Engineering New Zealand and holds Masters' degrees in Petroleum and Mechanical Engineering as well as a Diploma in Business Management and has over 15 years of experience. Daniel is also an active professional member of the Society of Petroleum Engineers and the Royal Society of New Zealand. New Zealand Oil & Gas reviews reserves holdings twice a year by reviewing data supplied from the field operator and comparing assessments with this and other information supplied at scheduled Operating and Technical Committee Meetings.

Daniel is currently an employee of New Zealand Oil & Gas Limited whom, at the time of this report, are a related party to Cue Energy. Daniel has been retained under a services contract by Cue Energy Resources Ltd [Cue] to prepare an independent report on the current status of the entity's reserves. As of the 17th of January 2017, NZOG held an equity of 50.04% of Cue.

In the Amadeus basin, New Zealand Oil & Gas Group now holds 50% equity in the Mereenie field. The operator here is Central Petroleum. Net reserves are net of equity portion, royalties, taxes and fuel and flare [as applicable].

Estimates are based on all available production data, the results of well intervention campaigns, seismic data, analytical and numerical analysis methods, sets of deterministic reservoir simulation models provided by the field operators, and analytical and numerical analyses. Forecasts are based on deterministic methods.

At all fields, economic modelling has been conducted to determine the economically recoverable quantities. For the conversion to equivalent units, standard industry factors have been used of 6Bcf to 1mmboe, 1Bcf to 1.05PJ, 1 tonne of LPG to 8.15 boe and 1TJ of gas to 163.4 boe. All reserves and resources reported refer to hydrocarbon volumes post-processing and immediately prior to point of sale. The volumes refer to standard conditions, defined as 14.7psia and 60°F.

The extraction method at the Mereenie field is that gas is gathered from the wells and ultimately collated into the Amadeus Gas Pipeline where sales vary to different customers within the region and further afield. Oil & Condensate are trucked to the sales point within Australia.

Tables combining reserves have been done arithmetically and some differences may be present due to rounding.

Andrew Jefferies, CEO

For further information please contact [enquiries@nzog.com](mailto:enquiries@nzog.com) or +64 4 495 2424.