

4 November 2020

CHAIR'S REMARKS, ANNUAL MEETING 2020

New Zealand Oil & Gas Annual Meeting

Held online

10.00am Wednesday, 4 November 2020.

We have a busy agenda so I will keep my remarks brief.

As the year draws to its end, the world remains in the midst of a historic crisis. COVID 19 continues to leave its imprint on every corner of the world. As you well know in New Zealand, even those countries that have been most successful in battling the pandemic have suffered severe hardship. Most countries, of course, have not had nearly the success of New Zealand.

We look forward to the health crisis improving but we know that our lives will be changed for many years to come.

All of this means profound changes for our industry. Unprecedented demand destruction sent oil prices tumbling below US\$20 per barrel in March and while prices have stabilised, producers have taken drastic action to reshape their portfolios. Exploration and development budgets have been slashed across the board by most companies. Faced with the dual threat of the pandemic and the growing global awareness of climate issues, E&P companies are seeking to tightly focus their efforts – fewer projects, fewer geographies, less risk.

We are pleased to report that New Zealand Oil & Gas has to date weathered this storm better than many peers. With a portfolio weighted heavily towards gas sold on fixed price contracts, the company has been well insulated from the dramatic price pressures that have hit many competitors. The company's cash reserves provide it with the ability to not only ride out this downturn, but also to act opportunistically by investing in attractive assets in its area of geographic focus – Australia and New Zealand.

Despite the disruptions caused by COVID-19, the company has had an active and productive year. We re-established our dual listing on the Australian exchange, where many of our regional peer companies list their shares. We've had a material reserves upgrade at Kupe in New Zealand. Cue's Sampang asset continues to provide growth opportunities, most recently its Paus Biru discovery, where FID is being planned.

Most importantly, as we speak the bit is turning on the Ironbark-1 well – a truly transformational prospect. As I'm sure you are aware, Ironbark-1 spudded on October 31st and we are anxiously following its progress. When O.G. Oil & Gas invested in NZOG, we were excited about certain of the exploration prospects in the company's portfolio. We are pleased to have helped get the Ironbark joint venture assembled and to now see the well drilled. This is the highest impact well NZOG has ever drilled, making this a truly exciting time for all of us.

I want to touch on one other matter: the proposed Scheme of Arrangement, which was voted down at the end of last year. Many of the larger shareholders in the company were intensely opposed to

the scheme. And that position prevailed. The system worked as it was intended. Shareholders were given a choice. All the parties followed a very specific legal process, under court supervision and the regulatory oversight of the Takeovers Panel. The Scheme was defeated, and we have turned the page, fully focused on the company's future.

There has of course been criticism of the Scheme, and there has unfortunately been criticism of certain members of the Board personally. While we don't agree with that criticism, especially of the individuals, we have prioritised engaging with shareholders during the course of this year. We thought it was important that we as a Board hear your point of view directly where possible. That process, which included meetings with many of the largest shareholders, helped us reset our strategic priorities. It also helped us establish a dialogue with many of you. That is something we plan to continue.

That process has also demonstrated to us that we have a board full of diverse viewpoints and complementary skills. We have members with deep industry expertise and impressive technical credentials. We think the Board has a combined skill set that is uniquely positioned to lead the company forward.

So, with the Scheme behind us, with all shareholders aligned, we as a Board are focused on the future. A very difficult year is ending, but we are looking forward to 2021. It promises to be a year of opportunity.

I wish you all good health. I will now turn the meeting over to our CEO, Andrew Jeffries.

4 November 2020

CHIEF EXECUTIVE'S PRESENTATION

2020 Annual Meeting of New Zealand Oil & Gas Limited

Held online

10.00am Wednesday, 4 November 2020.

Tena koutou

Tena koutou

Tena koutou katoa

To our shareholders on NZX side of the ditch

And a very special G'day to our new ASX shareholders in the western islands

Like me New Zealand Oil & Gas again straddles the Tasman,

Ladies and gentlemen,

None of us have been through a year like the one we've just had. We've been tested.

It is evidence of our company's quality that we came through this year intact.

We are fortunate to be in Wellington, remote from large population centers. The pandemic has caused far less disruption for businesses here than in many cities. We were well prepared. We know Wellington is vulnerable to natural events like earthquakes, and so we were set up to work from home.

[Slide - working from home.]

The switch over was smooth and we continue our work with little disruption. Our production facility in Taranaki, Kupe, was deemed an essential service, and kept operating throughout lockdown.

"Essential service" is an important point to remember when we come to discuss the future of oil and gas in New Zealand later.

Because we kept operating, we were able to continue to generate revenue.

[Slide - Finance Slide]

Our consolidated cash balance increased across the year, from \$105.6 million to \$110.8m at 30 June 2020.

Revenue for the year was \$37.3 million, down from \$43.3million last year, and the group overall recorded a loss of \$0.7 million, which was a marked improvement from the loss of \$2.9 million a year previously.

What that story can't tell you is that we significantly increased our reserves, which is another way of saying: The underlying value of the company grew.

[See our announcement on the NZX for all the usual disclaimers].

We will turn those increased reserves to cash and to profits in the future.

Shareholders sometimes ask me why we incur costs at head office - what do our people do all day? Those reserves upgrades are the answer.

One of our top strategic priorities is to optimise the performance of our assets - getting more juice from the orange. A reserves upgrade is what optimisation looks like.

[Slide - Sampang]

Start with Sampang in Indonesia.

Improvements at Sampang led to an increase in production adjusted 2P reserves from 1.04 million to 1.09 million barrels of oil equivalent. 1P reserves were up by 35 per cent.

[Slide-Paus Biru]

In the same production license as Sampang, a field development plan was approved for the recent Paus Biru discovery nearby.

This can be simply tied into the existing infrastructure in these shallow waters using a small wellhead platform, a couple of wells and a pipeline back to the Wortel field.

It will add further to our reserves there.

As will the Mahato light oil discovery in Southern Sumatra.

[Slide Mahato location]

While there have been some JV disputes along the way, as Cue reported at their AGM last week, progress is being made on resolving these and we are taking part in the field's development.

The field is being readied for production sales any day, putting Indigenous light oil into existing systems, with existing refinery connections. This will help Indonesia's people, and growing economy as well as benefiting the planet.

What do I mean by that? Local light oil provides a source of easy to refine crude, avoiding the environmental load of transporting crude internationally, as well reducing the world's dependence on the more than half of our discovered resources that lie in Oil Sands and Bitumen's. That's right Greenpeace are correct it is better that those heavy crudes stay in the ground, and the world discovers and uses more local lighter hydrocarbons to meet the needs of society while we transition away from fossil fuels.

But Indonesia is just the starter. The main course is our Kupe prize.

We have been able to announce an increase in Kupe reserves from a 1.84 million barrels of oil equivalent to 2.26 million, net.

[slide - reserves graph]

Kupe earned us \$15.5 million in revenue for our 4 per cent share in the year to June 2020, and it will continue to produce for many years yet.

We have felt for some time that Kupe well performance could be improved through extra perforations - extra holes in the well.

A perforation campaign was executed over summer. It restored Kupe to plateau production.

We also recommended to our partners that a well compression project would be profitable - 'compression' is like squeezing the orange harder.

Our partners agreed. The well compression project is underway. It will finish sometime next year. Production will then move to a higher decline curve.

The combined effect of these projects is a 23 per cent increase in 2P reserves.

For shareholders who have been in New Zealand Oil & Gas for a decades-long ride, Kupe has long been a strong performer. Kupe was one of the targets the company was formed to hunt. New Zealand Oil & Gas discovered the field in 1984.

In this financial year it will out-produce its originally sanctioned reserves.

[Slide – AJ talking head picture]

I'm proud of the contribution this asset makes to our community, to our economy --and to our environment.

Kupe provides significant volumes of gas, LPG, and light oil for export. It adds value to the economy, provides high tech, well-paid jobs - and provides energy that keeps showers hot, homes warm and dry, and cooks our salmon and sausages on the summer BBQ.

Kupe gas makes our renewable energy system viable. When it is shut in for maintenance, as it was a year ago, electricity generators have to use coal.

Now there's talk of using a pumped hydro scheme to provide back up when the sun doesn't shine, and the wind doesn't blow. That is advertised as a \$4 billion project. Many professionals believe it would cost billions more. For all that expense, for all the flooding of sensitive wetlands, the reduction in river flows, and all the carbon dioxide produced in building concrete dams, it would produce 8PJ of energy.

I want to put that in perspective, it is about 40% of Kupe's annual production, or one fortieth of the reserves remaining at Kupe.

When you run the economics, you get a clear idea of why Kupe, and other gas fields, are so important today, and will be tomorrow in the transition to a net zero carbon economy. This is an issue our recently re-elected government will have to deal with. There are alternatives but gas is by far superior.

[Slide natural gas vs electricity]

The gas industry in New Zealand outputs 70% more energy than our entire hydro-electricity system. (430PJ to 250PJ).

Most of it is turned into methanol that creates export earnings and helps to displace high carbon coal and heavy oil in Asia.

As I mentioned at the outset, the pandemic showed us that gas is an essential service.

I don't mean any of this to suggest we should not take the impact on our climate seriously. My argument is that production of natural gas helps to reduce emissions. First, it helps by raising our living standards, which gives us options. And second, it helps by displacing higher emitting fuels in areas where there are no cheap alternatives.

In our annual report, we have comprehensively reported on our climate impact.

[slide TCFD]

The Taskforce on Climate-related Financial Disclosure, or TCFD, proposes a standard for disclosing climate related risks.

The idea is that, as investors, you should be fully informed about risks: Stranded assets, reduced access to capital markets, falling oil and gas prices, and physical threats from extreme weather events. We have fully disclosed all of these.

We found the disclosure added little to our knowledge. We always apply sensitivity testing to our economic models. Our engineering always assesses risks from extreme weather events. We weigh risks methodically.

It is relevant that many industries were caught unprepared for a pandemic, for example. We were ready because we perform thorough risk analysis.

The government has signaled that TCFD reporting is likely to become mandatory. Investors are entitled to ask for disclosure. We already comply.

But I would like to repeat my comments from our sustainability report: Plants such as Kupe produce natural gas as ethically as just about anywhere on earth. Labour standards and environmental performance compare favourably to third world coal mines or the world's lithium and cobalt sources, from which electric batteries are sourced.

Revenues from Kupe do not fund terrorism, criminal enterprises or political corruption. We do not harvest the private data of millions of people, enable democracy to be damaged or extremists to congregate. We pay our taxes and observe the rules and laws of the places where we work.

Our activities make the world a better place. The gas we produce reduces coal burning with the same CO² reduction as replacing 120,000 average cars with electric cars, a real benefit happening today. In addition, we planted 3,564 trees to offset our emissions, and we were the first nz oil and gas company to get a rainbow tick.

The re-elected government believes it too is making the world a better place. So, we respect that, even though its policy means exploration in New Zealand can't be the core of our business.

The government is not going to change its policy settings. So we will look elsewhere for places where we can do business in a way that is consistent with our values.

We haven't given up on production in New Zealand. I hope more production will come to market here. As someone who has spent their whole career in the oil patch in various parts of the world, I know many companies that have stretched too far or have assets at the wrong point in the cycle. I feel for them, but these conditions will produce deals that will multiply in value over time.

We have a team that can find the right assets at the right price, and when we do, we have capital on our balance sheet to deploy. Given all the uncertainty, we will move prudently. We won't overpay.

The ideal assets are those that we can manage with our existing resources, in Australia or New Zealand, and with upside where we see value we can add.

We were able to do that by bringing the Ironbark deal together.

[slide Ironbark]

That was a complex transaction, which was made possible because of the heft we were able to add to Cue. As we meet today, the drill bit is turning in the Ironbark-1 well, 170 kilometres offshore from Karratha in Western Australia.

We have a month and a bit to wait before we find out if there is a discovery there. If it is a success, it will be a company changer.

[Slide – AJ]

I hope we can bring you more exciting prospects that reward your investment.

They will be made possible by the skills that brought you Ironbark, the talents that increased your reserves, and the effort that has kept your ship afloat in an extraordinary year.

This company has returned hundreds of millions of dollars of value to shareholders in the past decade, it has offered investors multiple options to cash out, or stay. We have not stood still in the last 4 years, nor shied away from difficult decisions, and I am proud to be able to bring you positive news from our exploration and production activities.

We have a few resolutions to debate later in this meeting. It's certainly appropriate to debate the issues at an annual meeting - that's what these meetings are for.

[Slide]

I would like to go off-piste a tad before we do with a personal comment...

Our Ofer Global shareholders brings incredible analytical skills and business networks that span the globe, Ironbark would not be happening without them.

Our independent directors represent your interests faithfully and bring technical skills and experience in, HSE, operations and Reservoir Engineering that few possess globally, but are vital to governing what your company does. I see the value they add to board discussions.

Our Board provides me with excellent insights and experience. The mix of skills that they have and apply to your business, reduces risks, while creating opportunities for growth and returns.

[Slide – AJ]

I hope it continues and I am looking forward to bringing you further progress in the coming year,

In the viral year
drill most pivotal well
deliver Christmas

—//—

For further information please contact New Zealand Oil & Gas +64 4 495 2424



ANNUAL SHAREHOLDER MEETING





SAMUEL KELLNER

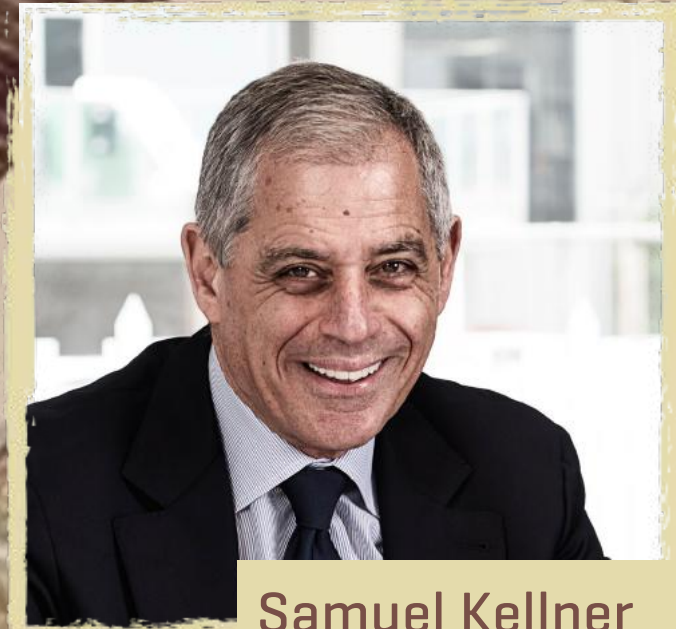
BOARD CHAIR

Welcome
Introductions
Notice of Meeting
Format of Meeting



SAMUEL KELLNER
BOARD CHAIR

Introductions



Samuel Kellner



Andrew Jefferies



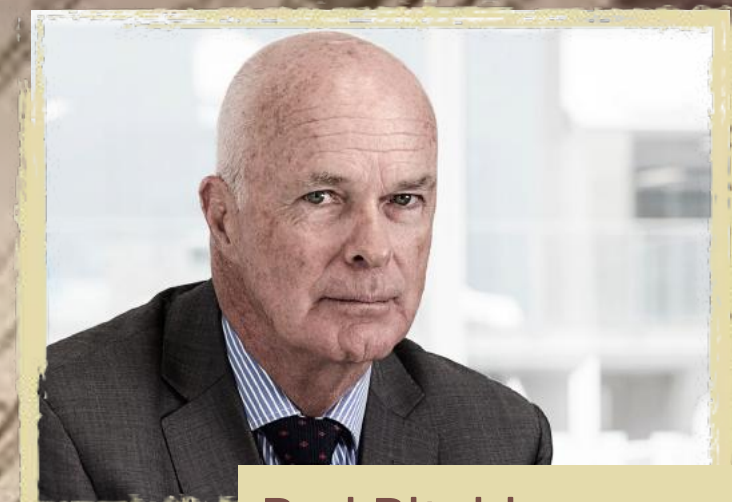
Alastair McGregor



Marco Argentieri



Dr Rosalind Archer



Rod Ritchie



SAMUEL KELLNER
BOARD CHAIR

Notice of Meeting

**Notice of Meeting and attached Explanatory Statement
sent to shareholders taken as read.**



SAMUEL KELLNER
BOARD CHAIR

Outline of meeting format

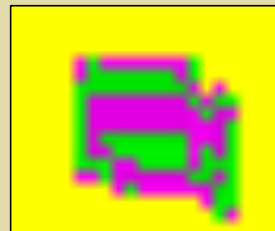


Dr Chris McKeown
VP Business Development

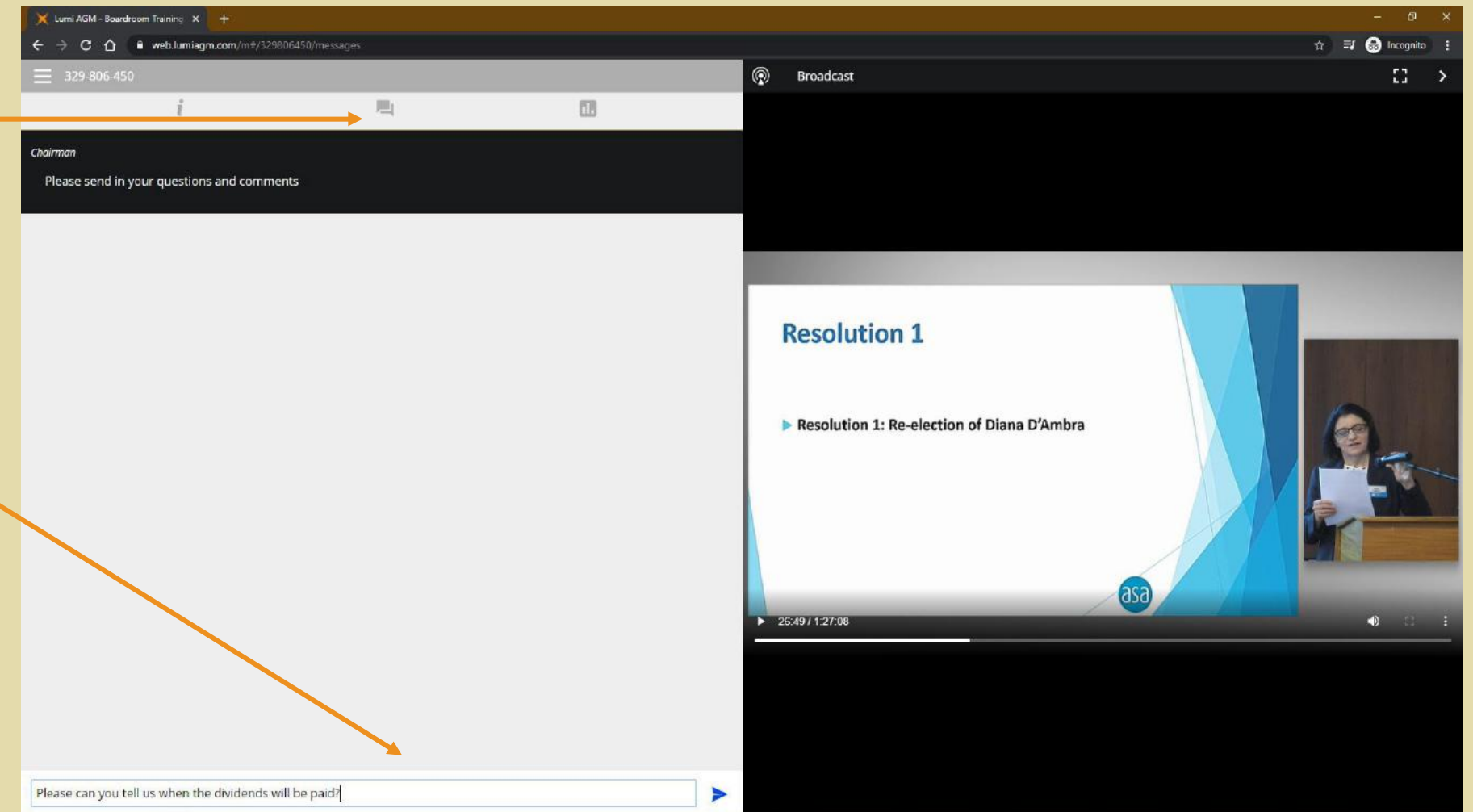
Q&A and Poll Process

ONLINE ATTENDEES – QUESTION PROCESS

- When the Question function is available, the Q&A icon will appear at the top of the app.

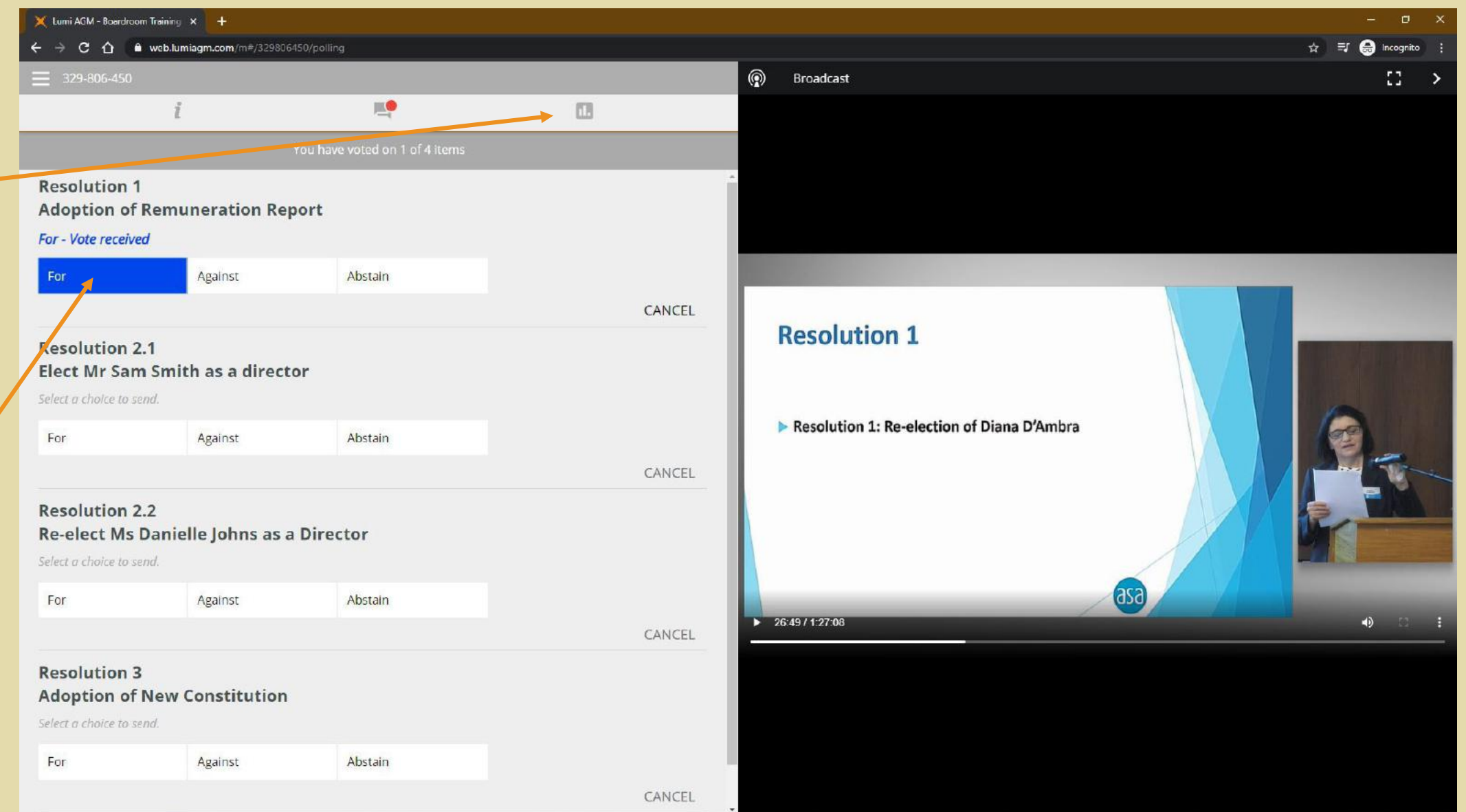


- To send in a question, simply click in the 'Ask a question' box, type your question and then press the send arrow
- Your question will be sent immediately for review



ONLINE ATTENDEES – VOTING PROCESS

- When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen



The screenshot shows a web browser window with the URL web.lumiagm.com/m#/329806450/polling. The interface displays a list of resolutions for voting. The first resolution, "Resolution 1: Adoption of Remuneration Report", has a "For" button highlighted in blue, indicating it has been selected. Below it are "Against" and "Abstain" buttons. A "CANCEL" button is visible to the right of each resolution. The second resolution is "Resolution 2.1: Elect Mr Sam Smith as a director", and the third is "Resolution 2.2: Re-elect Ms Danielle Johns as a Director". The fourth resolution is "Resolution 3: Adoption of New Constitution".

To the right of the voting interface is a video player window titled "Broadcast". The video content shows a slide titled "Resolution 1" with the text "Resolution 1: Re-election of Diana D'Ambra". A woman is visible in the video frame, speaking at a podium. The video player shows a progress bar at 26:49 / 1:27:08.

- To vote simply select the direction in which you would like to cast your vote, the selected option will change colour.
- **There is no submit or send button, your selection is automatically recorded.**



SAMUEL KELLNER
BOARD CHAIR

PROXY VOTES



SAMUEL KELLNER
BOARD CHAIR

CHAIR'S ADDRESS



CEO's Presentation

Andrew Jefferies



Working from home in lockdown

FY20 results

Revenue \$37.3 million

[2019: \$43.3m]

Loss \$0.7 million (includes \$2.9m Maari impairment)

[2019: Loss of \$2.9m]

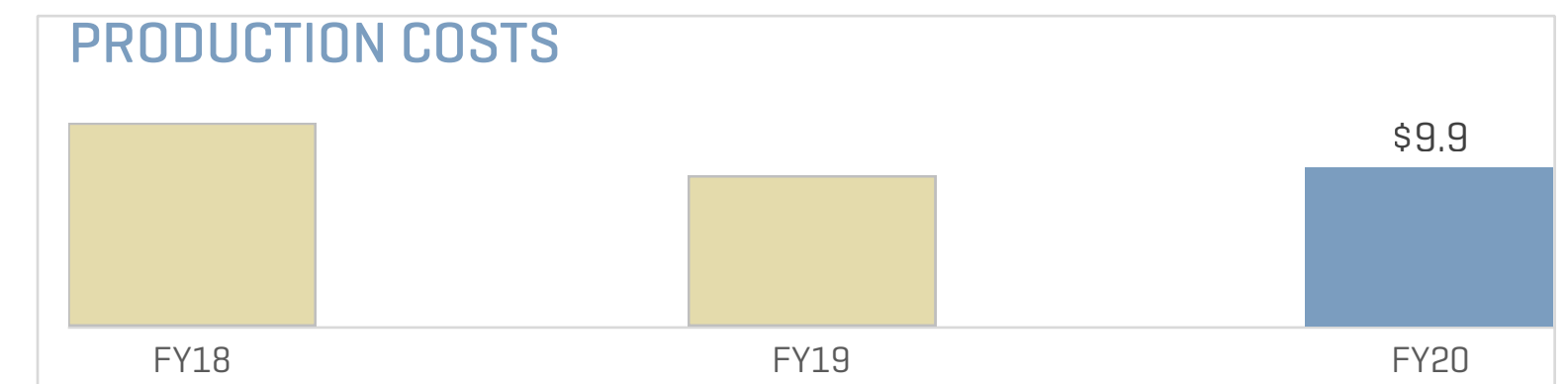
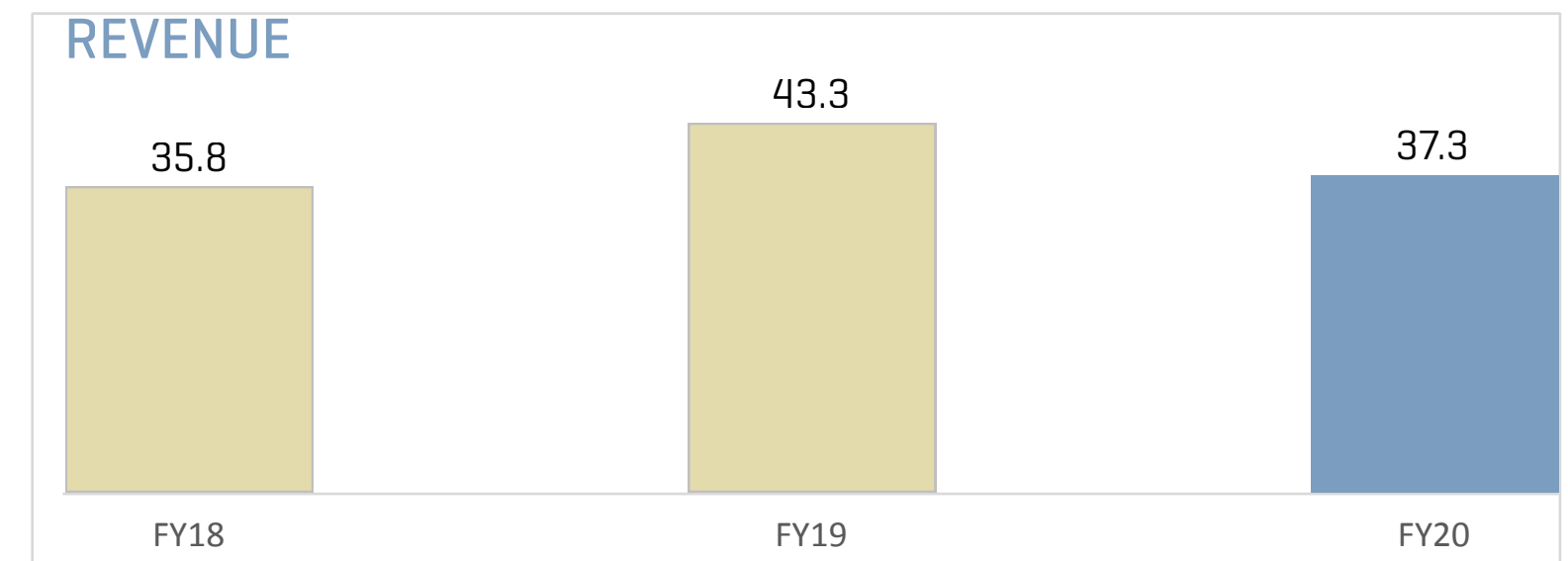
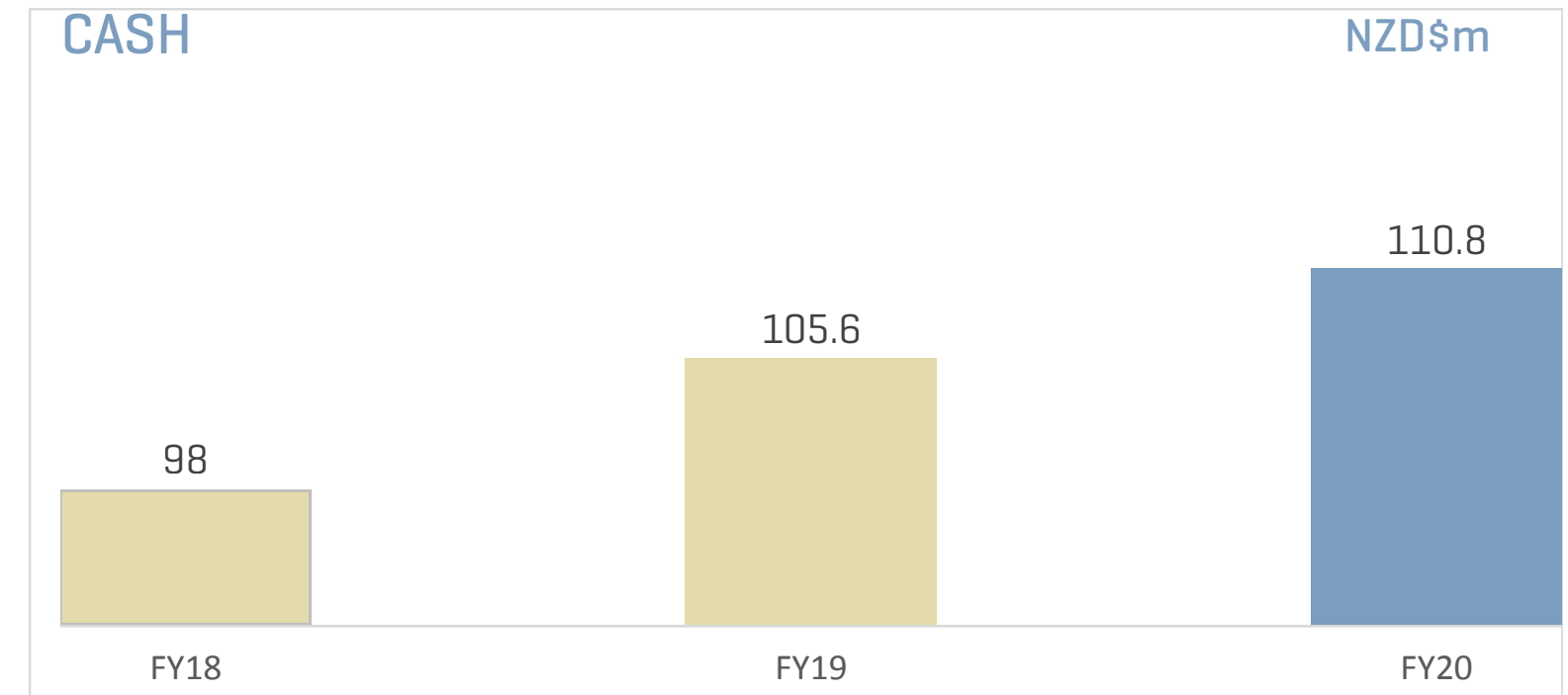
\$5.2 million increase in cash and cash equivalent

Production costs \$9.9 million

[2019: \$9.3m]

Net cashflow from operations \$10.9m

[2019: \$21.3M]



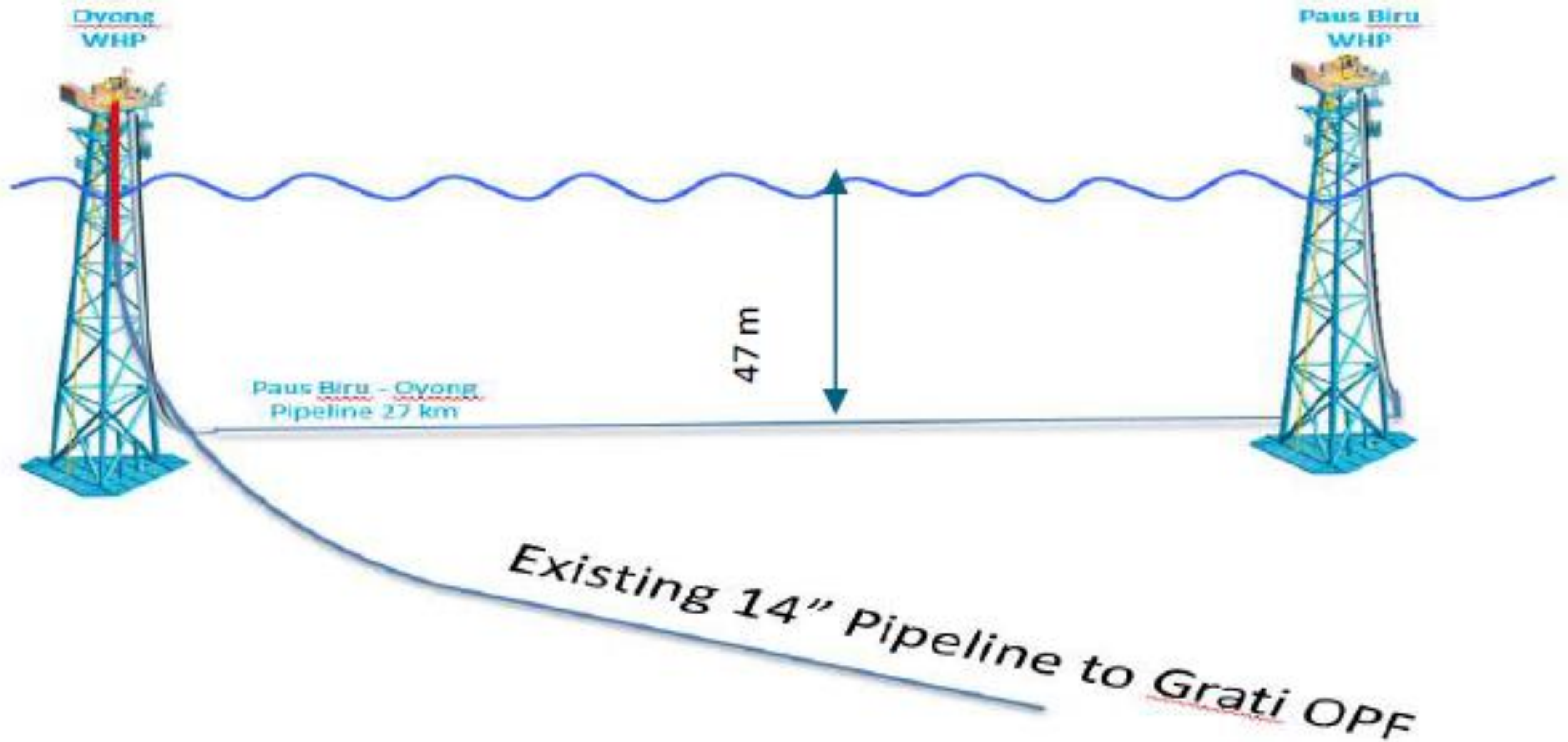
Bars not to scale between categories

Sampang PSC East Java, Indonesia



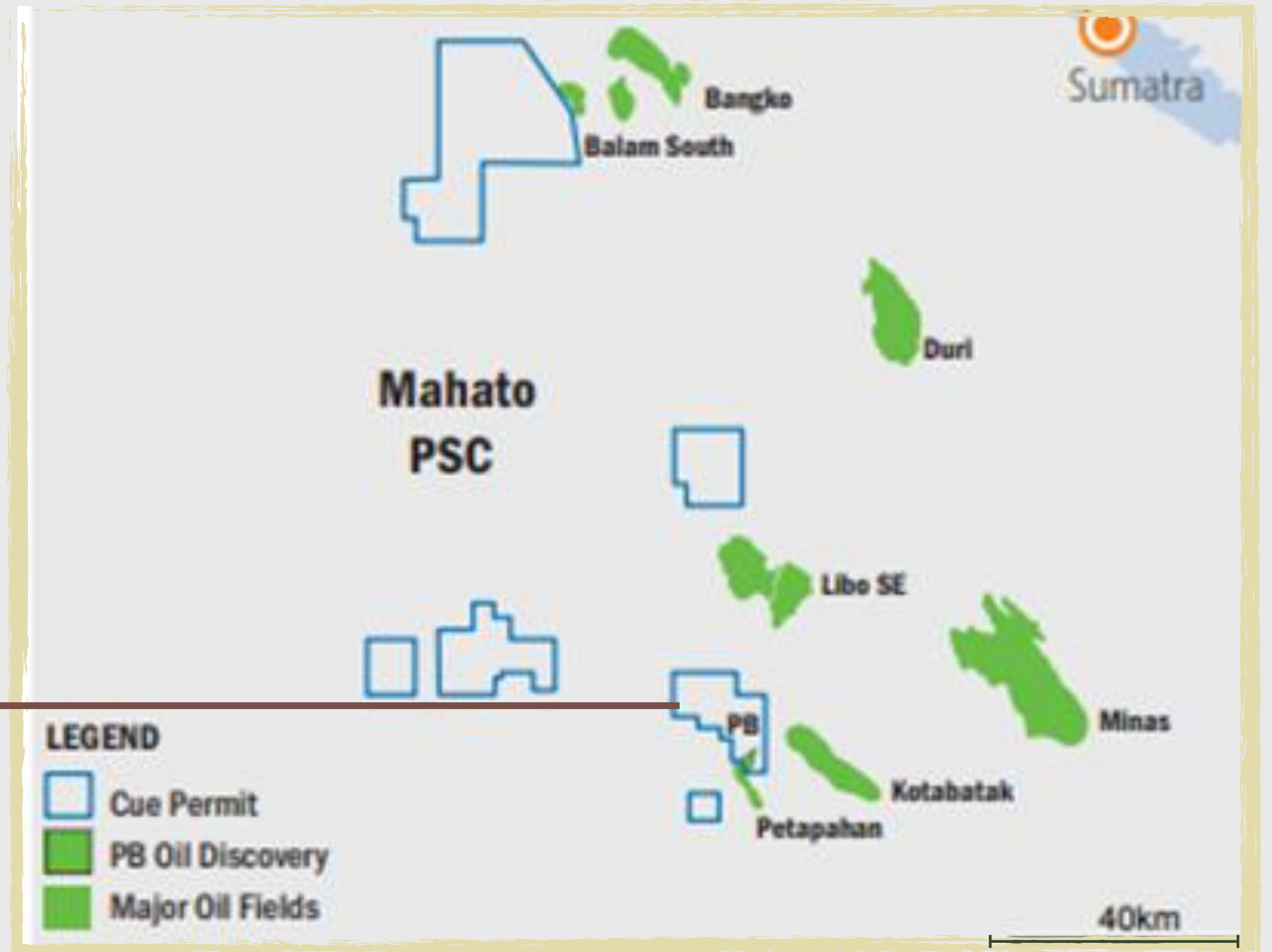
Existing Platform

New Platform



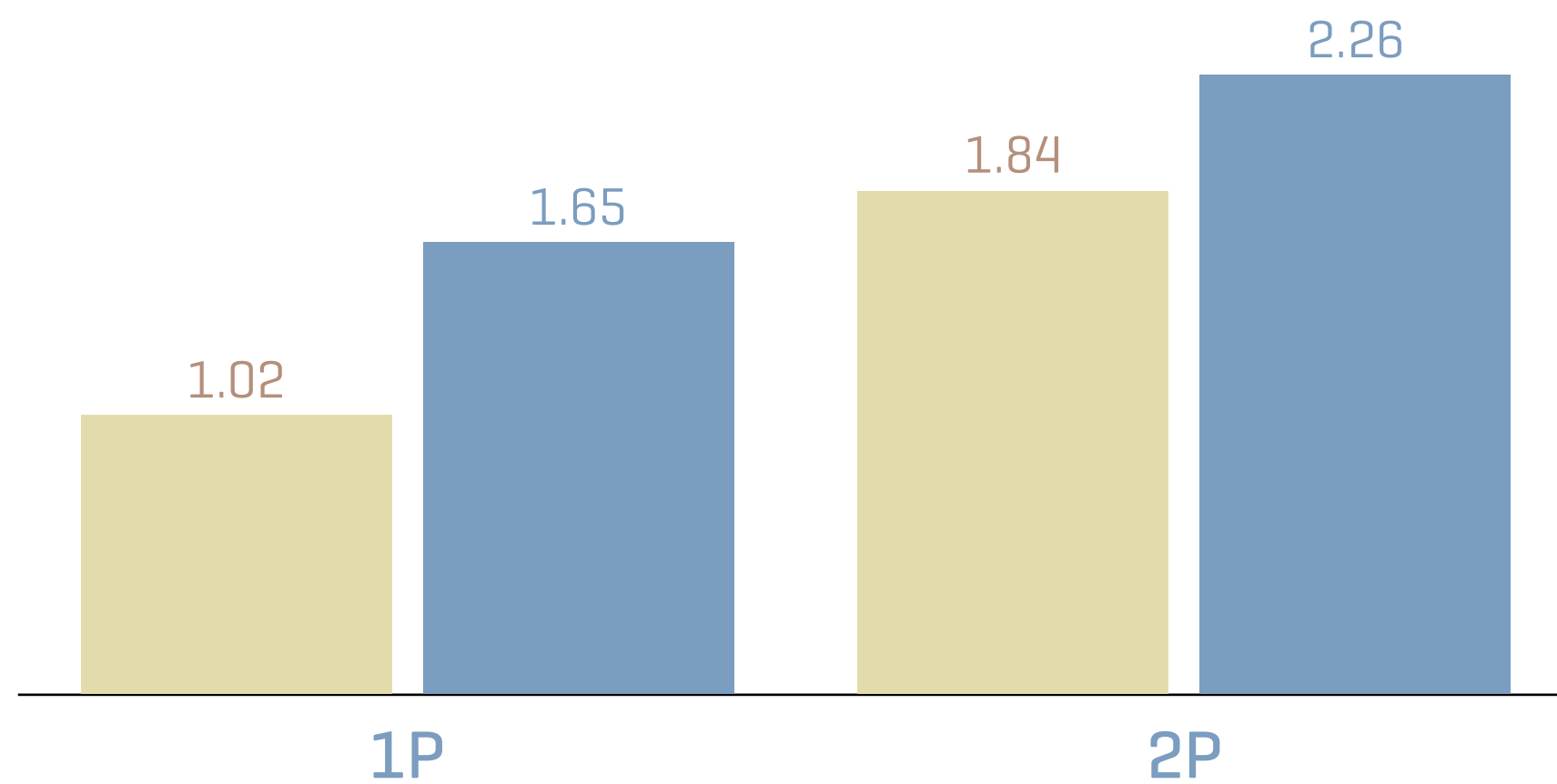
Mahato PSC Central Sumatra, Indonesia

PB Field

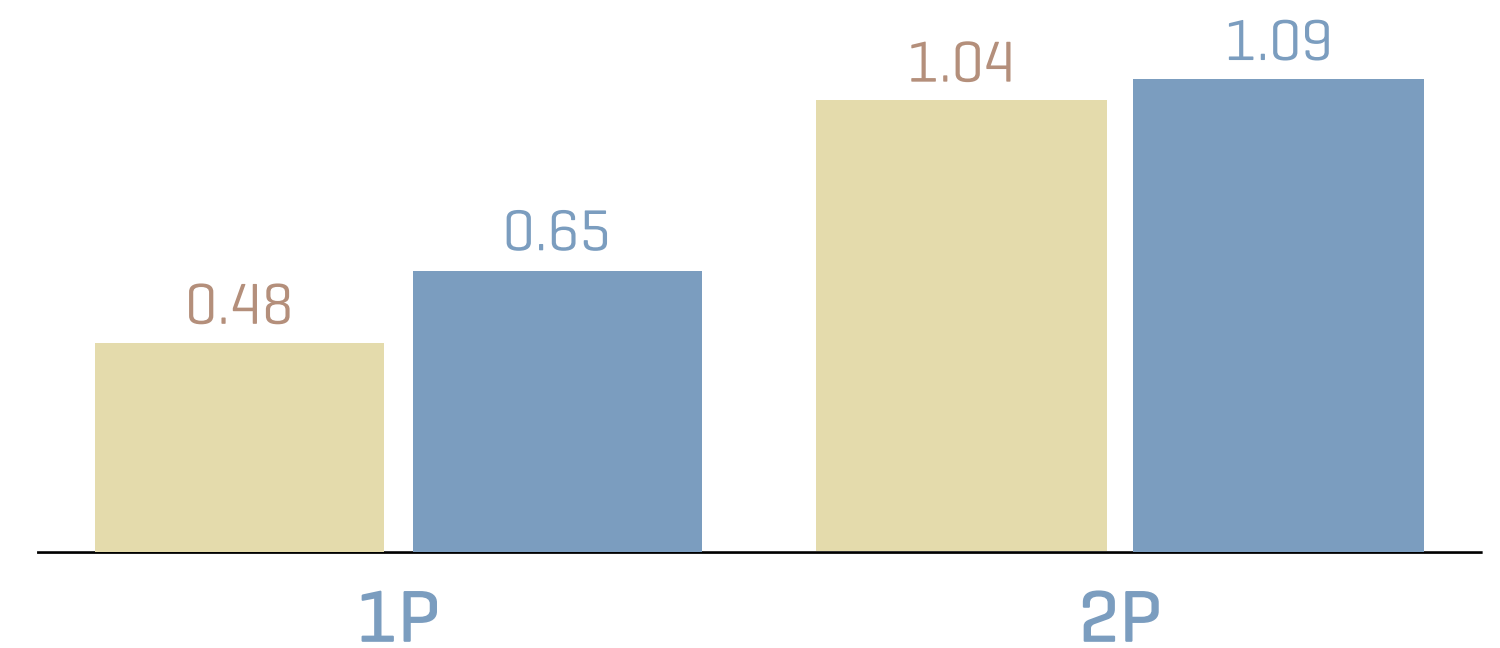


Reserves Upgrade

Kupe 2P reserves up 23%
1P up 61% from 1.02 to 1.65 mmboe
Developed 2P reserves up 37%



Sampang 1P reserves up 35%
2P up from 1.04 to 1.09 mmboe





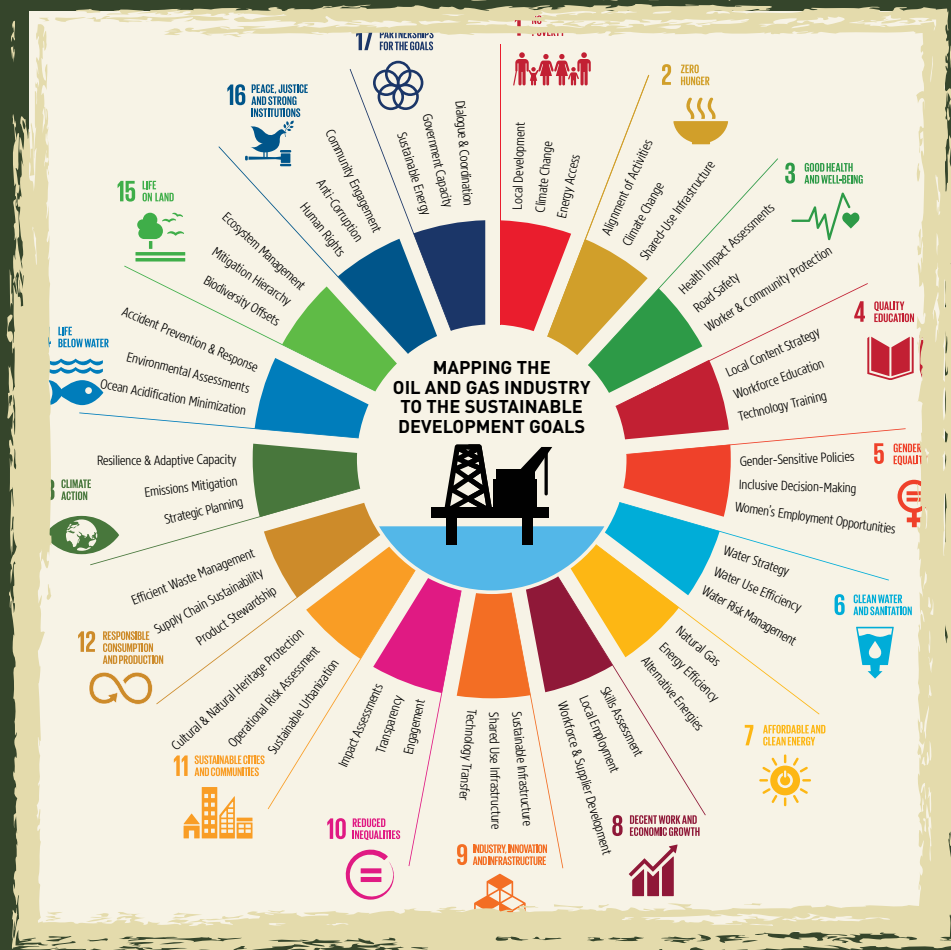
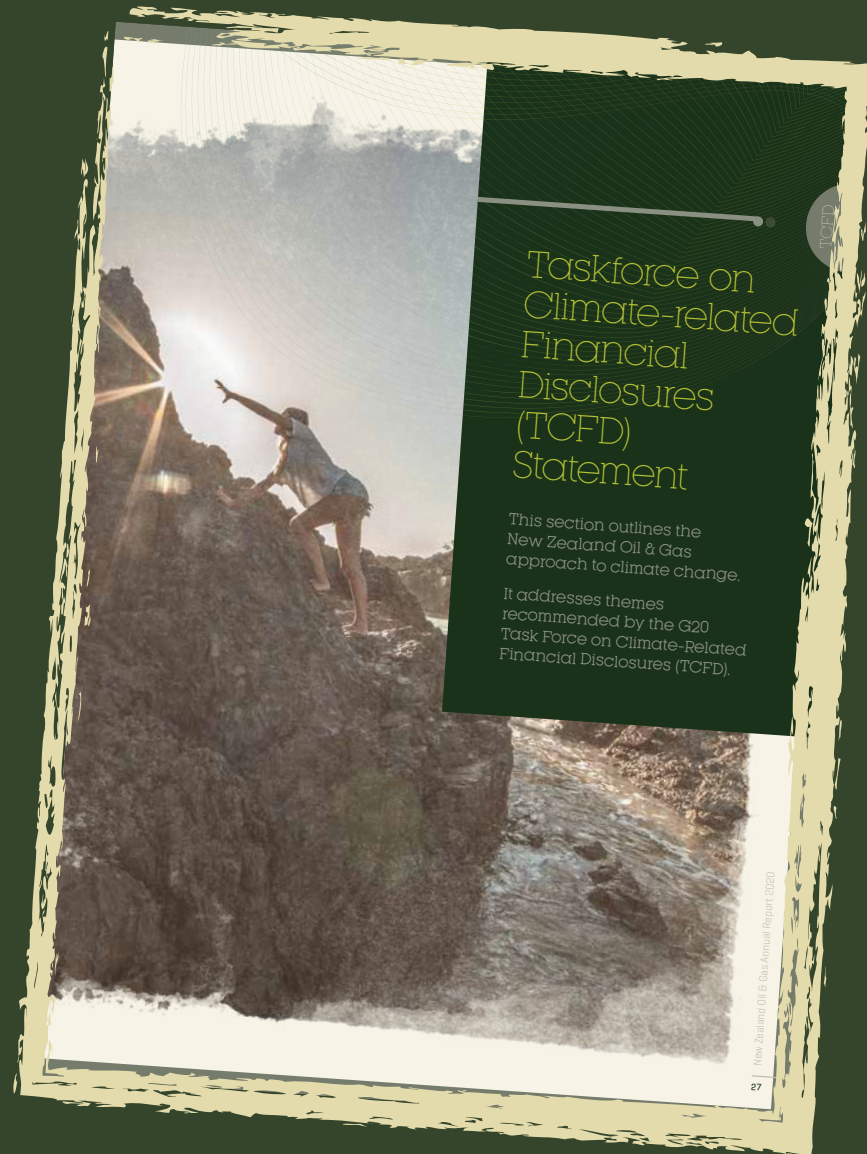
Natural gas provides more energy for NZ than our entire electricity sector uses.

Cosy **natural gas** provides 533 TJ/day for NZ industry, electricity and homes



Energy provided by **hydro** for electricity is about 238TJ/day.

Our entire **electricity** sector uses about 437TJ/day.







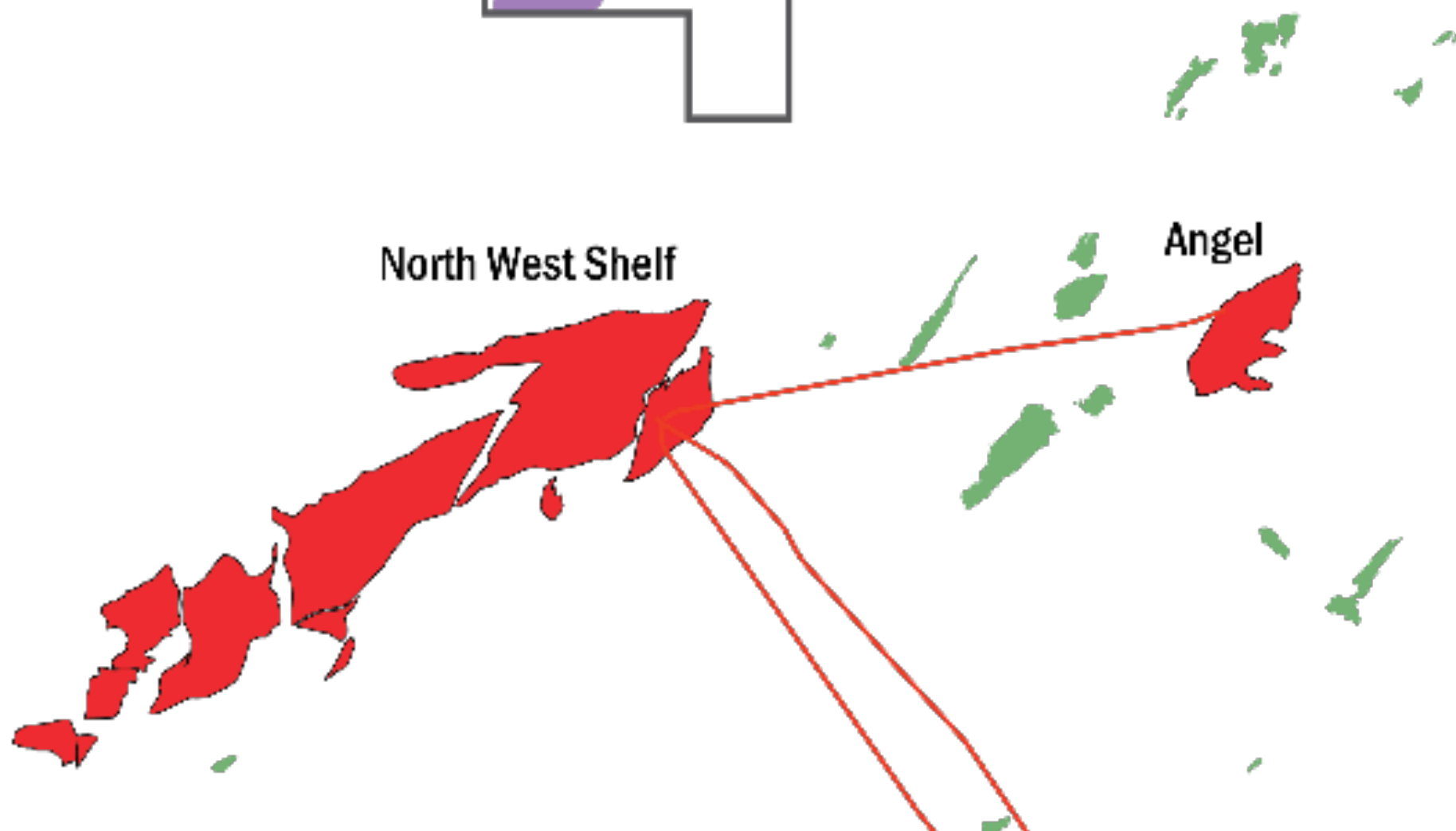
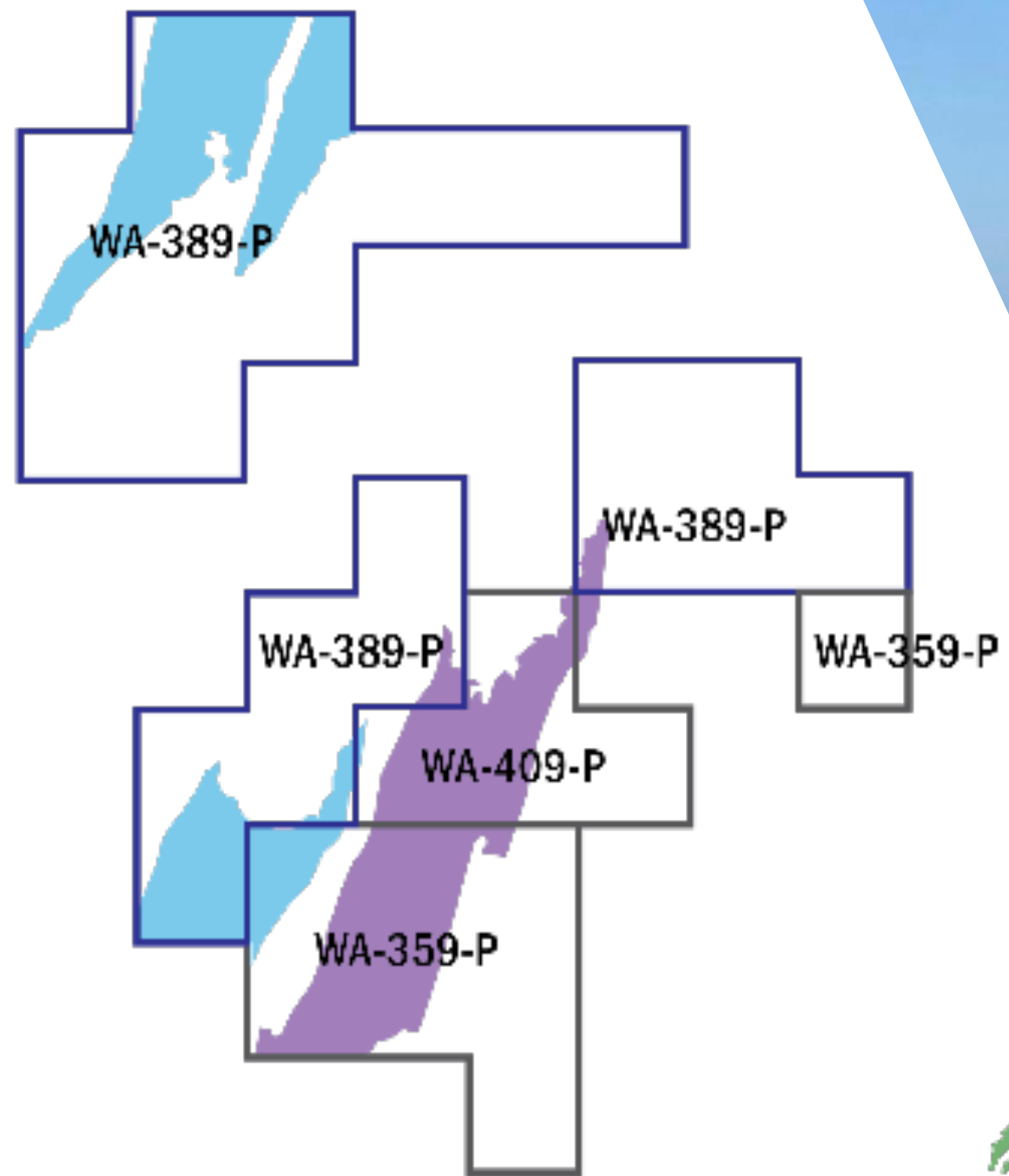
3564 trees planted to offset emissions





LEGEND

-  Cue Permit
-  Gas Field
-  Ironbark Prospect
-  Deep Mungaroo Leads









Andrew Jefferies
Managing Director



DR CHRIS MCKEOWN
VP Business Development

SHAREHOLDER QUESTIONS



ORDINARY RESOLUTIONS

If you have lodged a proxy form and voted prior to the meeting, you do NOT need to vote again at this meeting.

If you have submitted a vote already, then vote online today, your new vote will over-ride your previous vote.



SHAREHOLDER PROPOSAL

RESOLUTION 1

There is no confidence in the two current independent directors, Dr Archer and Mr Ritchie, and they are asked to resign.

QUESTIONS FROM SHAREHOLDERS ON THE RESOLUTION



SHAREHOLDER PROPOSAL

RESOLUTION 2

Consistent with the commitment made to shareholders last year in relation to the highest standards of corporate governance, the board shall be comprised of a majority of independent directors from the first possible date this can be achieved through the resignation or removal of existing directors and the appointment of new independent directors.

QUESTIONS FROM SHAREHOLDERS ON THE RESOLUTION



SHAREHOLDER PROPOSAL

RESOLUTION 3

Having regard to the importance of effective, competent independent directors and the protection of minority shareholders' interests in the Company, the minority shareholders may appoint a minimum of two directors via an ordinary resolution of the shareholders in relation to which the majority shareholder will not vote.

QUESTIONS FROM SHAREHOLDERS ON THE RESOLUTION

ELECTION OF DIRECTORS



Alastair McGregor

RESOLUTION 4

That Mr A McGregor be elected as a Director.



ELECTION OF DIRECTORS

Mr McGregor's remarks & questions



ELECTION OF DIRECTORS

RESOLUTION 5

That Mr J Dunphy be elected as a Director.



ELECTION OF DIRECTORS

Mr Dunphy's remarks and questions



ELECTION OF DIRECTORS

RESOLUTION 6

That Ms S Sharif be elected as a Director.



ELECTION OF DIRECTORS

Ms Sharif's remarks and questions



AUDITOR'S REMUNERATION

RESOLUTION 7

That the Board be authorised to fix the auditor's remuneration.



GENERAL BUSINESS

Poll closing

Final questions

Meeting close



ANNUAL SHAREHOLDER MEETING

