

**DISCLOSURE OF MOVEMENT OF 1% OR MORE IN SUBSTANTIAL HOLDING OR  
CHANGE IN NATURE OF RELEVANT INTEREST OR BOTH**

*Sections 277 and 278, Financial Markets Conduct Act 2013*

To: NZX Limited.

And: New Zealand Oil and Gas Limited (NZO).

Relevant event being disclosed: Change in nature of relevant interest.

Date of relevant event: 9 August 2017.

Date this disclosure made: 14 August 2017.

Date last disclosure made: 15 June 2017.

**Substantial security holder(s) giving disclosure**

Full name: H&G Limited.

**Summary of substantial holding**

Class of quoted voting products: Ordinary Shares - NZO.

Summary for H&G Limited.

For **this** disclosure,—

- (a) total number held in class: 13,288,357.
- (b) total in class: 159,428,718.
- (c) total percentage held in class: 8.33%.

For **last** disclosure,—

- (a) total number held in class: 13,319,845.
- (b) total in class: 159,428,718.
- (c) total percentage held in class: 8.35%.

**Details of transactions and events giving rise to relevant event**

Details of the transactions or other events requiring disclosure:

- (1) On 9 August 2017 H&G Limited entered into a lock-up agreement with Zeta Energy Pte Limited (Zeta) with respect to Zeta's proposed partial takeover offer of NZO that was announced to the NZX on 10 August 2017.

## Details after relevant event

Details for H&G Limited:

- (1) Nature of relevant interest(s): H&G Limited, on the 9 August 2017, was the legal and beneficial holder of 13,288,357 shares in NZO. On 9 August 2017 H&G Limited entered into a lock-up agreement with Zeta Energy Pte Limited (Zeta) with respect to Zeta's proposed partial takeover offer of NZO. A copy of the lock-up agreement is attached to this notice.

For that relevant interest:

- (a) number held in class: 13,288,357.
- (b) percentage held in class: 8.33%
- (c) current registered holder(s): H&G Limited
- (d) registered holder(s) of securities once transfers registered: No change.

## Additional information

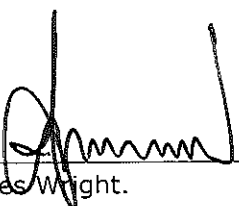
Address(es) of substantial product holder(s): 127 Queen Street East (PO Box 783), Hastings.

Contact details: David Cushing – 027 459 2218.

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Act in relation to the securities to which this disclosure relates: Zeta.

## Declaration

I, James Wright, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

  
James Wright.

**Date:** 14 August 2017

## **Lock-up agreement**

relating to a proposed partial takeover offer

**Zeta Energy Pte Limited**

**H & G Limited**

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Agreement dated *9 August* 2017

## Parties

- 1 Zeta Energy Pte Limited ('Zeta Energy')
- 2 H & G Limited ('Shareholder')

## Background

- A Zeta Energy has agreed that, subject to the provisions of this Agreement, it will make a partial takeover offer for each class of the ordinary shares in New Zealand Oil & Gas Limited ('Company') that it does not already hold or control that, upon successful completion of the Offer, will result in Zeta Energy holding or controlling more than 50.01% of the voting rights in the Company.
- B The Shareholder owns 13,288,357 fully paid ordinary shares in the Company ('Shares'), representing 8.33% of the 159,428,718 fully paid ordinary shares in the Company on issue as at the date of this Agreement.
- C The Shareholder has agreed that it will accept the Offer in respect of its Shares in accordance with the Offer Terms and the Takeovers Code.

## Covenants

### 1 Definitions and construction

#### 1.1 Definitions

In this Agreement, unless the context otherwise requires:

'Agreement' means this agreement including the Background recitals and Schedule.

'Business Day' means a day (other than a Saturday or Sunday) on which registered banks are open for general banking business in Auckland, New Zealand.

'Company' has the meaning given to that term in Background recital A.

'Joint Ventures' means all joint ventures in which the Company has an equity interest, either directly or through a subsidiary.

'Notice Date' has the meaning given to that term in clause 4.1b of Schedule 1.

'Offer' means a partial cash takeover offer to be made by Zeta Energy under Rule 9 of the Takeovers Code on the Offer Terms, as described in Background recital A.

'Offer Terms' means, subject to clause 2.3 and to any variation made by Zeta Energy which is permitted by this Agreement and the Takeovers Code, the essential offer terms set out in the Schedule.

'Shares' has the meaning given to that term in Background recital B, subject to clause 1.2I.

'Takeovers Code' means the Takeovers Code approved by Takeovers Code Approval Order 2000 (SR 2000/210) as consolidated, amended, re-enacted or replaced from time to time and as varied by any applicable exemption granted by the Takeovers Panel.

'Takeover Notice' means a takeover notice to be sent by Zeta Energy to the Company in compliance with Rule 41 of the Takeovers Code and clause 2.1a, and having attached thereto an offer in accordance with the Offer Terms and the other information required by the Takeovers Code.

'Unconditional Date' has the meaning given to that term in clause 4.1b of Schedule 1.

## 1.2 General construction

In interpreting this Agreement, the following rules must be applied unless the context otherwise requires:

- a Headings to clauses are for reference only and are not an aid to interpretation.
- b References to any form of law are to New Zealand law, including as amended, re-enacted or replaced from time to time.
- c References to statutory provisions will be construed as references to those provisions as they may be amended or re-enacted or as their application is modified by other provisions from time to time.
- d The singular includes the plural and vice versa.
- e References to time and to money are to New Zealand time and New Zealand currency respectively.
- f References to a party are to a party to this Agreement and include that party's successors in title and permitted substitutes and assigns (and, where applicable, the party's legal personal representatives).
- g References to any document are to that document as amended in accordance with its terms.
- h All periods of time include the day on which the period commences and also the day on which the period ends.
- i Any date which is not a Business Day, upon or by which anything is due to be done, will be deemed to be a reference to the next Business Day.
- j References to clauses, schedules, paragraphs, or other identifiers are to those in this Agreement.
- k References to 'Rules' are to rules of the Takeovers Code.
- l If, between the date of this Agreement and completion of the Offer, the Shareholder becomes the owner of any further ordinary shares in the Company, those further shares shall be included in term 'Shares' and the parties' obligations under this Agreement shall be construed accordingly.

## 2 Takeover Offer

### 2.1 Making of Offer

Subject to clauses 2.2 and 2.3, Zeta Energy agrees that it will:



- a send the Takeover Notice to the Company in accordance with Rule 41 of the Takeovers Code within 3 Business Days of this Agreement; and
- b make the Offer (by sending the Offer to the Company's shareholders) in accordance with the Takeovers Code no later than 30 days after giving the Takeover Notice, unless the parties otherwise agree.

## 2.2 Material adverse change

Zeta Energy's obligations under clauses 2.1a and 2.1b are each subject to the condition that:

- a no material adverse change; or
- b event which would be reasonably likely to give rise to a material adverse change,

in, or materially adversely affecting, the condition, financial or otherwise, or the assets, liabilities, earnings, performance, results of operations or business affairs, of the Company, whether or not arising in the ordinary course of business, occurs in the period commencing on the date of this Agreement and ending on the later of the date the Takeover Notice is sent or that the Offer is made, as the case may be, provided, however, that Zeta Energy shall not be entitled to rely on any such circumstances having occurred or failed to occur, in respect of any matter within the actual knowledge of Zeta Energy, prior to entering into this Agreement. The condition contained in this clause 2.2 may be waived by Zeta Energy in respect of the Takeover Notice, the Offer, or both.

## 2.3 Offer Terms

Zeta Energy agrees that the Offer shall be made on the Offer Terms, except as otherwise agreed by Zeta Energy and the Shareholder in writing (acting reasonably) before the date of the Offer. Without limitation to the foregoing, Zeta Energy shall not include in the Offer any terms which:

- a are unusual or are not customary for takeover offers in New Zealand (taking into account the particular circumstances of the Company); or
- b are onerous or impose obligations on shareholders which accept the Offer (other than the obligations contemplated by the Offer Terms or obligations which are customary for takeover offers in New Zealand).

## 3 Shareholder's obligations

### 3.1 Acceptance of Offer

Subject to the Offer being made by Zeta Energy in accordance with this Agreement, the Shareholder irrevocably agrees to accept the Offer in accordance with its terms and the Takeovers Code in respect of all of its Shares (by duly signing the acceptance form and any certificates accompanying the offer document for the Offer and returning it to Zeta Energy in accordance with the terms of the Offer, or procuring that any nominee or custodian through which the Shareholder holds the Shares does so) no later than the date which is five Business Days after the date of despatch of the Offer to the Company's shareholders, as notified by Zeta Energy under Rule 45 of the Takeovers Code (or, if later, then on the Business Day on which the Offer is received by the Shareholder).

### 3.2 Dealings with Shares



The Shareholder agrees that, unless:

- a this Agreement is terminated in accordance with its terms;
- b the Offer lapses in accordance with its terms; or
- c the Offer is withdrawn in accordance with the Takeovers Code.

the Shareholder will not sell, transfer, assign or otherwise dispose of, or offer or agree to sell, transfer assign or otherwise dispose of, its right and title to, and beneficial interest in, the Shares (including granting an interest in or encumbering), other than by accepting the Offer.

### 3.3 Any other restrictions applicable

The right of the Shareholder to deal with the Shares is also subject to any other restrictions which may be applicable, including under the Financial Markets Conduct Act 2013.

## 4 Warranties

### 4.1 General warranties

Each of the parties represents and warrants to the other that:

- a this Agreement creates obligations which are legally binding on it and are enforceable against it in accordance with the terms of this Agreement;
- b neither the execution nor delivery of this Agreement, nor the exercise of any right or the performance or observance of any obligation under this Agreement, will:
  - i violate or contravene any law, regulation, order or decree to which it is bound or subject;
  - ii conflict with, or result in the breach of, any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound or subject;
  - iii violate any of the documents constituting it or cause any limitation on any of its powers, or on the right or ability of its directors to exercise those powers, to be exceeded; or
  - iv result in the creation or imposition of, or any obligation to create or impose, any encumbrance on any of its property, assets or revenues.

### 4.2 Shareholder warranties

The Shareholder represents and warrants to Zeta Energy that:

- a at the date of this Agreement and on the date of the Offer, it holds either:
  - i legal and beneficial title to the Shares; or
  - ii beneficial title to the Shares, with legal title held in the name of the Shareholder's nominee or custodian,

and has full power, capacity, and authority to sell, and transfer, both legal and beneficial ownership of, in, and to the Shares in accordance with the Offer Terms; and





- ### 4.3 Zeta Energy warranties

a it has taken all corporate action, and has obtained all approvals, consents and authorities of any nature, necessary to perform its obligations under this Agreement, to make the Offer, and to perform its obligations under the Offer; and

- #### 4.4 Zeta Energy's own judgement

## 5 Exercise of voting rights

Nothing in this Agreement will give Zeta Energy or any other party control of, or result in Zeta Energy holding, the voting rights (as defined in the Takeovers Code) attaching to the Shares and the Shareholder may exercise or control the exercise of such rights at its discretion until the Shares are transferred to Zeta Energy under the Offer.

### 6.1 Termination by Shareholder

- a the Takeover Notice to the Company by the time period contemplated in clause 2.1a; or
- b the Offer to the Company's shareholders, in compliance with the Takeovers Code, within the time period required by clause 2.1b.

## 6.2 Automatic termination

### 6.3 Effect of termination

5

On termination of this Agreement the parties shall have no further rights or obligations hereunder, except that termination shall not affect, limit, or prejudice any rights or obligations that accrued prior to termination.

## **7 Notices**

### **7.1 Form and service of notice**

If any party wishes to give to another party any notice, claim, demand or other communication ('Notice') under or in connection with this Agreement, the Notice must be in writing, made by facsimile, personal delivery, post, or email to the addressee at the facsimile number or address advised by the addressee to the other party from time to time, and marked for the attention of the person or office holder (if any), from time to time designated for the purpose by the addressee to the other party. The initial details for each party are:

**To: H & G Limited**

Full address: C/- Rural Equities Ltd,  
127 Queen Street,  
Hastings, 4122,  
New Zealand

Attention: David Cushing

Email address: [cushing@xtra.co.nz](mailto:cushing@xtra.co.nz)

**To: Zeta Energy Pte Limited**

Full address: C/- Kensington Swan  
Level 9, 89 The Terrace  
Wellington 6011  
New Zealand

Attention: David Shillson / Gerald Fitzgerald

Email address: [david.shillson@kensingtonswan.com](mailto:david.shillson@kensingtonswan.com) and  
[gerald.fitzgerald@kensingtonswan.com](mailto:gerald.fitzgerald@kensingtonswan.com)

### **7.2 Time of service**

Any notice given pursuant to this agreement will be deemed to be sufficiently given:

- a in the case of delivery, when received;
- b in the case of posting, on the second Business Day following the date of posting;
- c in the case of in the case of email or facsimile transmission, when sent;

provided that any notice personally delivered or sent by email or facsimile either after 5 pm on a Business Day or on any day that is not a working day will be deemed to have been received on the next Business Day.

## **8 General**

### **8.1 Compliance with law**



Nothing in this Agreement shall require any party to do any act or thing in contravention of the Takeovers Code, the Takeovers Act 1993, the Financial Markets Conduct Act 2013, or the Companies Act 1993.

**8.2 Further assurances**

Each party must do everything (including executing agreements and documents) necessary to give full effect to this Agreement and the transactions contemplated by it.

**8.3 Time of the essence**

Any time, date or period in this Agreement may be extended by agreement between the parties but, as regards any time, date or period, fixed or extended, time shall be of the essence.

**8.4 Amendments**

No amendment to this Agreement will be effective unless it is in writing and signed by all parties.

**8.5 Good faith**

The parties shall act in good faith towards each other in respect of all dealings or matters under or in connection with this Agreement.

**8.6 No waiver**

No waiver of any breach, or failure to enforce any provision, of this Agreement at any time by a party in any way affects, limits or waives the right of such party thereafter to enforce and compel strict compliance with the provisions of this Agreement.

**8.7 Non-merger**

The agreements, obligations, and warranties contained in this Agreement will not merge on completion of the transactions contemplated by it but will remain in full force until satisfied.

**8.8 No assignment**

No party may assign, charge, encumber, or otherwise deal with any rights and obligations under this Agreement, or attempt or purport to do so, without the prior consent in writing of all parties.

**8.9 Costs**

Except as otherwise expressly provided in this Agreement, each party shall bear its own costs and expenses incurred in connection with the negotiation, preparation and implementation of this Agreement.

**8.10 Entire agreement**

This Agreement records the entire agreement and understanding (express or implied) between the parties relating to the subject matter of this Agreement as of the date hereof, and prevails over any earlier agreement, whether written or oral, relating to the transaction recorded in this Agreement.



### 8.11 Counterparts

This Agreement may be executed in two or more counterpart copies each of which will be deemed an original and all of which together will constitute one and the same instrument. A party may enter into this Agreement by signing a counterpart copy and sending it to the other parties (including by facsimile or email).

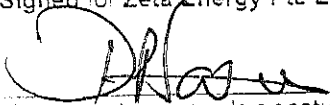
### 8.12 Governing law

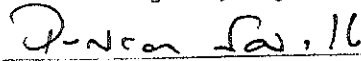
This Agreement is governed by New Zealand law. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of all matters arising out of this Agreement and waives any right that party may have to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction.

## Execution

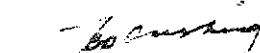
Executed as an agreement

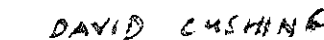
Signed for Zeta Energy Pte Limited

  
\_\_\_\_\_  
Authorised signatory's signature

  
\_\_\_\_\_  
Authorised signatory's name

Signed for H & G Limited:

  
\_\_\_\_\_  
Authorised signatory's signature

  
\_\_\_\_\_  
Authorised signatory's name

## Schedule 1 Offer Terms

### 1 Partial offer

- 1.1 The Offer will be a partial offer for 41.955% of each class of voting security in the Company not already held or controlled by Zeta Energy.

### 2 Takeover consideration

- 2.1 The offer price shall be no less than \$0.72 per ordinary share (on the basis that each share will be fully paid up), payable by way of cash.

### 3 Offer timetable

- 3.1 The Offer will be open for no less than 30 days.

### 4 Offer conditions

- 4.1 The Offer will be subject to the following key conditions:
- a **Minimum Acceptance:** The Offer and any contract arising from acceptance of it is conditional upon Zeta Energy receiving acceptances by no later than the Closing Date for that number of shares that would, upon the Offer being declared unconditional and the relevant shares being transferred to Zeta Energy, when taken together with the voting securities already held or controlled by Zeta Energy confer more than 50% of the voting rights in the Company.
  - b **Overseas Investment Act:** The Offer and any contract arising from acceptance of it are subject to the Company not owning as at the notice date for the Offer ('**Notice Date**'), or acquiring between the Notice Date and the unconditional date for the Offer ('**Unconditional Date**'), any rights or interests in any land or securities which would require separate consent under the Overseas Investment Act 2005 or a variation to Zeta Energy's existing consent. Pursuant to the consent granted on 26 February 2016 (as varied on 3 February 2017), Zeta Energy and Zeta Resources Limited have obtained all necessary consents under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 for Zeta Energy to complete the acquisition of the shares in accordance with this Offer based on information currently before Zeta Energy. That consent was based on Zeta Energy being an overseas person and the 'significant business assets' threshold test of that Act may have been triggered. If the Offer constitutes an 'overseas investment in sensitive land', further consents will be required.
  - c **The Company's interests in Joint Ventures:** The Offer and any contract arising from acceptance of it are subject to the condition that the making or completion of the Offer will not cause any pre-emptive rights in any Joint Ventures to be able to be exercised by the Joint Venture parties in relation to the Company's or any of its subsidiaries' interests in the Joint Ventures, or, if they are, that the Company provides any notices to the other Joint Venture parties to or shareholders in the relevant Joint Venture or company, as the case may be, and those parties or shareholders consent to or approve a change of control of the Company, if required under the terms of the relevant agreement, and either waive or do not exercise any pre-emptive or other rights or options to acquire the interest



of the Company or its subsidiaries in the relevant Joint Venture before the Unconditional Date.

- d **Crown Minerals Act and Licences:** The Offer and any contract arising from acceptance of it are subject to the condition that the Minister of Energy and Resources does not revoke or substantially vary any permit, licence or similar issued under the Crown Minerals Act 1991 to the Company or to any of its subsidiaries or to any Joint Venture to which the Company or its subsidiaries is a party as a result of any change in control of the Company which may occur as a result of this Offer being completed.
- e **Minimum Cash:** The Offer and any contract arising from acceptance of it are subject to the condition that on, or not more than one day prior to the Unconditional Date, a director of the Company certifies to Zeta Energy that the Company holds on that day cash reserves (including the Company's share of cash reserves held in Joint Ventures) of not less than NZ\$100 million.
- f **Substantial shareholders:** The Offer and any contract arising from acceptance of it are subject to the condition that, on the date before the Unconditional Date:
  - i no person other than Zeta Energy, Zeta Resources Limited, UIL Limited, Somers Limited, Bermuda Commercial Bank Limited, ICM Limited, Permanent Investments Limited, Duncan Saville, PPP, or any custodian (in this clause, 'Excluded Person') holds or controls more than 15% of the fully paid shares; and
  - ii no person other than a custodian who, as at the Notice Date, held or controlled 5% or less of the fully paid shares, holds or controls more than 10% of the fully paid shares,provided that, when determining the holding or control of a person (in this clause, 'Relevant Person') for the purposes of this Condition:
  - iii any fully paid shares held or controlled by the Relevant Person's associates (as defined in the Takeovers Code) other than an Excluded Person will be deemed to held or controlled (as applicable) by the Relevant Person; but
  - iv any shares in respect of which a valid acceptance has been received in accordance with the terms of the Offer will be disregarded.

- 4.2 In addition, the Offer will be subject to other conditions customary for takeover offers in New Zealand, including material adverse change.

## 5 Payment

- 5.1 Zeta Energy must pay the offer price within seven days after the later of:
- a the day on which the Offer is declared unconditional;
  - b the day on which a shareholder accepts the Offer; and
  - c the closing date for the Offer.

