

10 July 2019

NEW ZEALAND OIL & GAS RECOMMENDS SCHEME OF ARRANGEMENT WITH O.G. OIL & GAS AT \$0.62 CASH PER SHARE

- Scheme price agreed at \$0.62 per share in cash for all of the approximately 30 per cent of New Zealand Oil & Gas fully paid ordinary shares that O.G. Oil & Gas does not already own.
- Price is a 25% premium to Tuesday's closing price.
- Independent directors unanimously recommend shareholders vote in favour of the scheme, subject to the independent adviser's report concluding that \$0.62 per share is within or above its valuation range.
- Scheme is subject to customary conditions, including shareholder approval, court approval and Overseas Investment Office consent. Shareholders to vote on the transaction at a special meeting expected in September 2019.

New Zealand Oil & Gas and O.G. Oil & Gas [Singapore] Pte. Ltd. ["OGOG"] have entered into a scheme implementation agreement under which OGOG will acquire all of the fully paid ordinary shares of New Zealand Oil & Gas that it does not already own for NZ\$0.62 per share.

The board of New Zealand Oil & Gas has formed a committee of the independent directors, Dr Rosalind Archer and Rod Ritchie, to consider OGOG's proposal.

The independent directors unanimously recommend shareholders vote in favour of the transaction, subject to the scheme price being within or above the valuation range specified by an independent adviser, and in the absence of a superior proposal.

The independent directors have commissioned Northington Partners to prepare the independent adviser's report.

The price of \$0.62 cents per share is:

- a 25.3% premium to the closing price on 9 July 2019, the last trading day before the scheme implementation agreement was announced;
- a 27.3% premium to the volume-weighted average price over 6 months up to and including 9 July 2019;
- a 23.7% premium to the VWAP over the month up to and including 9 July 2019; and
- a 28.0% premium to the VWAP from the date the company most recently released results, 27 February 2019, up to and including 9 July 2019.

In agreeing to recommend the transaction, the independent directors of New Zealand Oil & Gas have taken into account:

- The compelling premium offered to New Zealand Oil & Gas shareholders;
- The changed operating environment for oil and gas investment in New Zealand following the government's decision in April 2018 to not award new offshore exploration acreage;

- The difficulty raising equity capital as a publicly listed oil and gas company on the NZX, especially given the above factors; and
- The significant price decline in New Zealand Oil & Gas shares following the government's announcement in April 2018.

The independent directors believe recent policy changes have had a dramatic impact on the perception of New Zealand as an appealing place to invest in the oil and gas industry.

“The attractive premium offered by OGOG comes despite an uncertain future for oil and gas investment in New Zealand. Departures by major international players continue, with recent decisions by international companies to surrender exploration acreage being the latest examples.

“All New Zealand Oil & Gas shareholders, including OGOG, have had to deal with an uncertain and changing environment. Nevertheless, OGOG is willing to increase its investment in New Zealand Oil & Gas and in doing so will allow other shareholders to realise significant value given the current market conditions, policy environment and share trading history,” the independent directors said.

The transaction will be implemented by way of a scheme of arrangement, which is a court-supervised process under which a meeting of shareholders will be called and the transaction will be voted on.

New Zealand Oil & Gas shareholders do not need to take any action at this time.

Shareholders will be given the opportunity to vote on the scheme at a special shareholders' meeting. No date has yet been set for that meeting, but New Zealand Oil & Gas anticipates it will be held in September 2019. A scheme booklet containing information about the scheme will be sent to shareholders with details of the special meeting of shareholders and a copy of the independent adviser's report.

Subject to shareholder approval, and satisfaction of other conditions, the scheme is expected to be implemented by the end of November 2019. An indicative timetable will be released in due course.

Alastair McGregor, Chief Executive Officer of OGOG, said, “We are offering shareholders certainty and a substantial premium for their shares in a challenging new environment for New Zealand Oil & Gas. We want to increase our investment in the company and believe that acquiring it 100% is the best option for New Zealand Oil & Gas, providing shareholders with an opportunity to realise substantial value for their shares.”

New Zealand Oil & Gas is being advised by Clare Capital as financial advisor and Simpson Grierson as legal advisor.

The scheme implementation agreement is attached. Along with future shareholder communications related to the scheme, including any updates to the timetable, it will be available on the New Zealand Oil & Gas website at www.nzog.com.

For further information please contact:

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Scheme Implementation Agreement

New Zealand Oil & Gas Limited

Target

and

O.G. Oil & Gas (Singapore) Pte. Ltd.

Bidder

Date 9 July 2019

BELL GULLY

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Contents

1.	Definitions and interpretation	1
2.	Proposal and implementation of scheme	1
3.	Conditions precedent	3
4.	Scheme Booklet	6
5.	Scheme implementation steps	8
6.	Target's other implementation obligations	10
7.	Court proceedings	12
8.	Recommendation and voting intentions	13
9.	Access, information and conduct of business	14
10.	Representations, warranties and undertakings	18
11.	Releases	19
12.	Exclusivity	20
13.	Reimbursement Fee and Reverse Reimbursement Fee	22
14.	Partly Paid Shares	24
15.	Termination	25
16.	Announcements	28
17.	Payments	28
18.	GST	29
19.	Notices	30
20.	General	31
21.	Governing law and jurisdiction	32
	Schedule 1: Prescribed Occurrences	35
	Schedule 2: Target Warranties and Undertakings	36
	Schedule 3: Bidder Warranties and Undertakings	38
	Schedule 4: Capital Structure	40
	Schedule 5: Timetable	42
	Schedule 6: Standard OIO Conditions	43
	Schedule 7: Defined Terms and Interpretation	45
	Annexure A: Scheme Plan	56

Annexure B: Deed Poll 57

This **Agreement** is made on 9 July 2019

- between** (1) **New Zealand Oil & Gas Limited**, a company incorporated in New Zealand whose registered office is Level 1, 36 Tennyson Street, Wellington, 6011 New Zealand (37842) (**Target**)
- and** (2) **O.G. Oil & Gas (Singapore) Pte. Ltd.**, a company incorporated in Singapore whose registered office is 1A International Business Park, #07-02, Singapore 609933 (201722201W) (**Bidder**)

Introduction

- A. Target and Bidder have agreed that Bidder will acquire all of the Scheme Shares by means of the Scheme.
- B. Bidder and Target have entered into this Agreement to record and give effect to the terms and conditions on which they propose to implement the Scheme.

It is agreed

1. Definitions and interpretation

1.1 Defined terms

Capitalised terms have the meanings set out in clause 1 of Schedule 7, unless the context otherwise requires.

1.2 Interpretation

This Agreement will be interpreted in accordance with the interpretation provisions set out in clauses 2 to 5 of Schedule 7.

2. Proposal and implementation of scheme

2.1 Target to propose Scheme

Target must propose and, subject to the Scheme becoming Effective, implement the Scheme on and subject to the terms of this Agreement.

2.2 Consideration

Each Scheme Shareholder is entitled to receive the Consideration in respect of each Scheme Share held by that Scheme Shareholder subject to and in accordance with the terms of this Agreement and the Scheme.

2.3 Bidder to pay Consideration

Bidder undertakes in favour of Target (in its own right and on behalf of the Scheme Shareholders) to, in consideration for and simultaneously with the transfer to Bidder or Bidder Nominee (if applicable) of each Scheme Share held by each Scheme Shareholder under the terms of the Scheme, pay (or procure the payment of) the Consideration to each Scheme Shareholder in accordance with the Scheme and the Deed Poll.

2.4 General implementation obligations

Each party must do everything reasonably necessary, including by procuring that its Representatives work in good faith and in a timely and co-operative manner with:

- (a) in the case of Bidder, Target and its Representatives; and
- (b) in the case of Target, Bidder and its Representatives,

to implement the Scheme in accordance with this Agreement and all laws and regulations applicable to the Scheme.

2.5 Timetable

Each party must use all reasonable endeavours to ensure that the Scheme is implemented in accordance with the Timetable. Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of this clause 2.5 to the extent that such failure is due to circumstances and matters outside the party's control and only if such party has used reasonable endeavours to meet the Timetable. Each party will keep the other informed about its progress against the Timetable and notify each other if it believes that any of the dates in the Timetable are not achievable. If any date in the Timetable is not able to be achieved due to matters outside of a party's control, then the parties must consult in good faith with a view to amending the Timetable to the extent required to permit the Scheme to be implemented before the End Date.

2.6 No amendment to Scheme without Bidder's consent

Target must not consent to any modification of, or amendment to, the Scheme or the Final Orders, or the making or imposition by the Court or any Government Agency of any condition to the Scheme, without:

- (a) where a modification or amendment is made, imposed or requested at a Court hearing, Bidder's counsel's consent (and Bidder must procure that such consent is not unreasonably withheld or delayed); or
- (b) in the case of any other modification or amendment, Bidder's prior written consent (such consent not to be unreasonably withheld or delayed).

2.7 Bidder may elect a subsidiary to complete acquisition

- (a) Bidder may elect, under this clause 2.7, a directly or indirectly wholly-owned subsidiary of O.G. Oil & Gas Limited (**Bidder Nominee**) to acquire all of the Scheme Shares under the Scheme by giving written notice to Target of the relevant subsidiary at least five Business Days before the First Court Date.
- (b) If Bidder elects to nominate a Bidder Nominee to acquire all of the Scheme Shares pursuant to clause 2.7(a):
 - (i) Bidder and the Bidder Nominee will both enter into the Deed Poll;
 - (ii) Bidder will continue to be bound by this Agreement; and
 - (iii) Bidder will ensure that Bidder Nominee completes the acquisition in accordance with the terms of this Agreement and the Deed Poll.

3. Conditions precedent

3.1 Conditions

The Scheme will not become Effective and the obligations of Bidder under clause 2.3 do not become binding unless and until each of the conditions set out in the first column of the following table has been satisfied or waived in accordance with this clause 3.1:

Condition	Responsibility	Waiver
(a) (OIO consent) before 5:00pm on the Business Day before the End Date, Bidder has obtained all consents required under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 to the implementation of the Scheme on terms or conditions acceptable to Bidder acting reasonably, provided that Bidder may not withhold its acceptance of terms or conditions of any consent if the terms or conditions imposed: <ul style="list-style-type: none"> (i) are the standard terms or conditions set out in Schedule 6 or are consistent in all material respects with such terms or conditions; (ii) reflect positive undertakings, plans or intentions specified in Bidder's application; or (iii) are no more onerous or restrictive than the terms or conditions of the consent obtained in connection with Bidder's partial takeover offer for Target in 2017; 	Bidder	None
(b) (Court approval) subject to clause 3.2, the Court approves the Scheme in accordance with section 236 of the Companies Act;	Bidder and Target	None
(c) (Shareholder approval) Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities in accordance with sections 236A(2)(a) and 236A(4) of the Companies Act;	Target	None
(d) (No restraint) no judgment, order, requirement, restraint or prohibition enforced or issued by any Government Agency is in effect at 9.00am on the Implementation Date, that prohibits, prevents or materially restricts the implementation of the Scheme;	Bidder and Target	Bidder and Target
(e) (No Material Adverse Change) no Material Adverse Change occurs between the date of this Agreement and 9.00am on the Implementation Date; and	None	Bidder
(f) (No Prescribed Occurrence) no Prescribed Occurrence occurs between the date of this Agreement and 9.00am on the Implementation Date.	Target	Bidder

3.2 Court approval

If the Court's approval of the Scheme in accordance with section 236(1), or the Court's making of an additional order under section 237, of the Companies Act would impose any terms or conditions other than those set out in the Scheme in the form attached as Annex A, then each such term or condition must be approved in writing by Target and Bidder (both acting reasonably) prior to the Court granting the Final Orders.

3.3 Satisfaction of Conditions

In respect of each Condition:

- (a) each party specified in the second column of the table in clause 3.1 opposite that Condition must use its reasonable endeavours to procure that the Condition is satisfied:
 - (i) in the case of the Conditions in clauses 3.1(a) to 3.1(c), as soon as practicable and in any event before the End Date; and
 - (ii) in the case of the Conditions in clauses 3.1(d) to 3.1(f), at all times before 9.00am on the Implementation Date;
- (b) the other party must promptly provide all information and other reasonable assistance required by the party referred to in clause 3.3(a) for the purposes of procuring the satisfaction of the Condition; and
- (c) each party must not take any action that will or is likely to hinder or prevent the satisfaction of any the Condition.

3.4 OIO application

Without limiting clause 3.3:

- (a) Bidder will file with the OIO the application necessary in relation to the OIO Condition (the **OIO Application**) within 10 Business Days after the date of this Agreement and promptly provide a copy of the OIO Application to Target after it has been filed with the OIO (provided that any commercially sensitive information may be redacted from the copy provided to Target);
- (b) Target will file with the OIO the vendor information form necessary in relation to the OIO Application within two Business Days after the date on which Bidder files the OIO Application with the OIO;
- (c) Bidder must:
 - (i) diligently progress its OIO Application (including by responding to the OIO in a fulsome and timely manner, and where applicable in compliance with any reasonable requested or required timeframes, in respect of all its questions and other correspondences) so as to expedite the satisfaction of the OIO Condition; and
 - (ii) other than on termination of this Agreement, not withdraw or procure the withdrawal of the OIO Application once submitted;
- (d) each party must keep the other party informed about all material developments relating to any approval or consent required to satisfy the OIO Condition, or any action taken or proposed by, or any enquiries made by, a Government Agency in relation to the Scheme; and

- (e) each party must provide the other party with copies of any material written communications sent to, or received from, the OIO in relation to the Scheme to the other party promptly upon despatch or receipt (as the case may be) (provided that any commercially sensitive information may be redacted from the copy provided).

3.5 Waiver of Conditions

Where the third column of the table in clause 3.1 opposite a Condition states “none”, that Condition may not be waived. Each other Condition is only for the benefit of, and may only be waived in writing by:

- (a) if one party is specified in the third column of the table in clause 3.1 opposite that Condition, that party; or
- (b) if both Target and Bidder are specified in the third column of the table in clause 3.1 opposite that Condition, those parties jointly.

A party entitled to waive, or to join in the waiver of, a Condition may do so in its absolute discretion.

3.6 Method of waiver

Where a Condition may be waived by one party, that party may only waive the Condition by giving notice in writing to the other party. Where a Condition may only be waived by both Target and Bidder jointly, those parties may only waive the Condition by agreeing in writing to do so.

3.7 Effect of waiver

If a party waives or joins in the waiver of a Condition in accordance with this clause 3, that waiver does not:

- (a) preclude that party from bringing a claim against the other party for any breach of this Agreement; or
- (b) constitute a waiver of any other Condition.

3.8 Delay in satisfaction of OIO Condition

Without limiting the generality of clause 2.5, if any event or change in circumstances occurs that prevents, or is reasonably likely to prevent, the OIO Condition being satisfied as at 8.00am on the End Date (as extended in accordance with paragraph (a) of the definition of End Date), and the failure to satisfy the OIO Condition which would otherwise occur has not been (or cannot be) waived, then the parties must consult in good faith to determine whether:

- (a) to change the End Date to a later date; or
- (b) the Transaction may proceed by way of alternative means or methods.

3.9 Termination

Notwithstanding anything in this clause 3 or any rights of termination implied by law, this Agreement may only be terminated in accordance with clause 15.

4. Scheme Booklet

4.1 Target's obligations

Without limiting clause 2, Target must:

- (a) subject to clauses 4.1(c) and 4.2(a), prepare the Scheme Booklet so that it contains:
 - (i) all information required by the Companies Act, the NZX Listing Rules and any other applicable laws or regulations, including any requirements of the Takeovers Panel;
 - (ii) the responsibility statements referred to in clause 4.4; and
 - (iii) a statement by the Independent Directors reflecting the Recommendation and, if applicable, the Statement of Intention;
- (b) provide all assistance and information reasonably requested by the Independent Adviser to enable it to prepare the Independent Adviser's Report (including providing the Independent Adviser with full and complete details of all contingent liabilities);
- (c) give Bidder drafts of the Scheme Booklet in a timely manner, give Bidder a reasonable opportunity to review those drafts and consider in good faith the reasonable comments of Bidder and its Representatives when preparing revised drafts of the Scheme Booklet. Bidder must limit its comments in respect of any draft of the Independent Adviser's Report to factual information about Bidder or the Target Group;
- (d) as soon as practicable after preparation of an advanced draft of the Scheme Booklet suitable for review by the Takeovers Panel, give that draft to Bidder;
- (e) as soon as practicable after receipt of the consent from Bidder referred to in clause 4.2(f), give the Takeovers Panel the draft Scheme Booklet;
- (f) keep Bidder reasonably informed of any issues raised by the Takeovers Panel in relation to the Scheme Booklet and consult with Bidder to resolve any such issues;
- (g) as soon as practicable after the approval of the Scheme Booklet by the Takeovers Panel, procure that a meeting of the IRC is convened to approve the Scheme Booklet for lodgement with the Court and, subject to the Initial Orders, for dispatch to Shareholders; and
- (h) advise Bidder if Target becomes aware either:
 - (i) of new information which, had it been known at the time the Scheme Booklet was prepared, should have been included in the Scheme Booklet under applicable law; or
 - (ii) that any part of the Target Information in the Scheme Booklet is misleading or deceptive, or likely to mislead or deceive, in any material respect, including by omission,

and in either case, if Target becomes so aware at any time, or receives advice from Bidder under clause 4.2(g):

- (iii) between the approval of the Scheme Booklet in accordance with clause 4.1(g) and the date of the Scheme Meeting, then, if considered by Target that supplementary disclosure is required, provide supplementary disclosure to

Shareholders in accordance with applicable law and after consulting with Bidder as to the content and presentation of that supplementary disclosure; and

- (iv) between the date of the Scheme Meeting and the Second Court Date, then, if considered by Target that supplementary disclosure is required, apply to the Court for orders as to the procedure to be followed for the provision of supplementary disclosure to Shareholders and the effect on the approval of the Scheme, after consulting with Bidder.

4.2 Bidder's obligations

Without limiting clause 2, Bidder must:

- (a) prepare and give to Target for inclusion in the Scheme Booklet:
 - (i) information about the Bidder Group;
 - (ii) confirmation (in a form satisfactory to Target, acting reasonably) that Bidder will have sufficient funds in place to fund the Consideration; and
 - (iii) information equivalent to the information that would meet the requirements of Schedule 1 to the Takeovers Code,

as required to be included in Scheme Booklet by the Companies Act, the Takeovers Panel, the NZX Listing Rules and any other applicable laws or regulations;
- (b) give Target drafts of the information referred to in clause 4.2(a) in a timely manner, to give Target a reasonable opportunity to review those drafts and consider in good faith the reasonable comments of Target and its Representatives when preparing revised drafts of that information;
- (c) provide to Target, for inclusion in the Scheme Booklet, a statement to the effect that the Bidder will vote all of the Shares it holds in favour of the Scheme at the Scheme Meeting;
- (d) subject to the Independent Adviser entering into an acceptable confidentiality arrangement with Bidder, provide all assistance and information reasonably requested by the Independent Adviser to enable it to prepare the Independent Adviser's Report;
- (e) as soon as practicable after receipt of any draft of the Scheme Booklet from Target, review and provide comments on that draft;
- (f) subject to clause 4.3, before Target provides the Scheme Booklet to the Takeovers Panel in accordance with clause 4.1(e) deliver to Target written consent from Bidder to the inclusion of the Bidder Information in the Scheme Booklet in the form and context it appears;
- (g) advise Target if Bidder becomes aware at any time either:
 - (i) of new information which, had it been known at the time the Scheme Booklet was prepared, should have been included in the Bidder Information under any applicable law; or
 - (ii) that any part of the Bidder Information is misleading or deceptive, or likely to mislead or deceive, in a material respect, including by omission;
- (h) if requested by Target, procure that it is represented by counsel at the Court hearings convened for the purposes of considering the Initial Orders and the Final Orders, at

which through its counsel, Bidder will undertake (if requested by the Court) to do all such things and take all such steps within its power as are necessary in order to ensure the fulfilment of its obligations under this Agreement and the Scheme. For the avoidance of doubt, Target will prepare the Court documentation for the Initial Orders and Final Orders and Bidder's Counsel will only prepare submissions to the Court, if required, in support of Target's application; and

- (i) before a draft of the Scheme Booklet is lodged with the Takeovers Panel and NZX, and again before the Scheme Booklet is despatched to Shareholders, confirm to Target the accuracy and completeness of the Bidder Information in the Scheme Booklet, including that it does not contain any material statement that is false or misleading, or likely to mislead or deceive, in a material respect including because of any omission.

4.3 Bidder confirmations and approvals

If Bidder requires any change to be made to the form or content of the Bidder Information as a condition of giving its consent as referred to in clause 4.2(f) then:

- (a) if Target disagrees with the change, then the parties must consult in good faith about the change and the reasons for it, with a view to agreeing an alternative change that satisfies both parties; and
- (b) if the parties are unable to reach agreement, Target must make such changes to the Bidder Information as Bidder reasonably requires.

4.4 Responsibility statements

The Scheme Booklet must contain responsibility statements, in a form to be agreed between the parties, to the effect that:

- (a) Target has provided, and is responsible for, the Target Information in the Scheme Booklet, and that none of the Bidder or its officers, directors and employees assumes any responsibility for the accuracy or completeness of the Target Information;
- (b) Bidder has provided, and is responsible for, the Bidder Information, and that none of Target or its officers, directors and employees (but excluding the Bidder Directors) assumes any responsibility for the accuracy or completeness of the Bidder Information; and
- (c) the Independent Adviser has provided and is responsible for the Independent Adviser's Report and none of Bidder, Target or their respective officers, directors or employees assumes any responsibility for the accuracy or completeness of the Independent Adviser's Report.

5. Scheme implementation steps

5.1 Target's obligations

Without limiting clause 2, Target must:

- (a) before the First Court Date, apply to the Takeovers Panel for a letter of intention indicating that the Takeovers Panel is minded to issue a no objection statement and that it does not intend to appear at the Court in respect of the Initial Orders;
- (b) before applying to the Takeovers Panel for a letter of intention as envisaged under clause 5.1(a) above, consult with Bidder in relation to such application, provide drafts

of the proposed application and take reasonable comments made by Bidder in relation thereto;

- (c) apply to the Court for Initial Orders convening the Scheme Meeting and, if the Court makes those orders, dispatch the Scheme Booklet to Shareholders and hold the Scheme Meeting in accordance with, and otherwise complying in all respects with, the Initial Orders provided that Target shall have no obligation to:
 - (i) apply to the Court for Initial Orders unless the latest draft of the Independent Adviser's Report contains the Fairness Opinion; or
 - (ii) dispatch the Scheme Booklet to Shareholders or hold the Scheme Meeting if the Independent Adviser's Report does not contain the Fairness Opinion;
- (d) upon sending the Scheme Booklet to Scheme Shareholders, lodge a copy of that Scheme Booklet with NZX in accordance with NZX Listing Rule 3.23.1;
- (e) if the Scheme Resolution is passed by the requisite majorities of Shareholders, promptly apply to:
 - (i) the Takeovers Panel for the production of a statement under section 236A(2)(b)(ii) of the Companies Act stating that the Takeovers Panel has no objection to the Court granting Final Orders; and
 - (ii) the Court for its approval of Final Orders;
- (f) if the Court approves the Scheme in accordance with section 236(1) of the Companies Act, deliver a copy of the Final Order to the Registrar for registration within the period prescribed by section 237(2) of the Companies Act; and
- (g) if the Court approves the Scheme in accordance with section 236(1) of the Companies Act and once the Condition set out in clause 3.1(a) has been satisfied:
 - (i) use its best endeavours to procure that NZX suspend trading in the Shares from the close of trading on the later of:
 - (A) the Final Orders Date; and
 - (B) the date on which the OIO Condition is satisfied,
 or such other date as is agreed between the parties in writing;
 - (ii) close the Register as at the Record Date to determine the identity of the Scheme Shareholders and their entitlements to the Consideration;
 - (iii) subject to Bidder satisfying its obligations under clause 5.2(b), effect the transfer of the Scheme Shares to Bidder in accordance with the Scheme on the Implementation Date; and
 - (iv) do all other things contemplated of it under the Scheme and all other things (if any) within its power as may be reasonably necessary for the implementation of the Transaction on a basis consistent with this Agreement or necessary for Target to lawfully give effect to the Scheme and the orders of the Court.

5.2 Bidder's obligations

Without limiting clause 2, Bidder must:

- (a) before the First Court Date, provide any deed poll required or requested by the Takeovers Panel in relation to its voting intentions in connection with the Scheme, provided such deed poll is substantially consistent with the deed poll set out in Schedule B of the Takeovers Panel's guidance on schemes of arrangement;
- (b) at least five Business Days before the Second Court Date, deliver to Target a copy of the Deed Poll executed by Bidder (and the Bidder Nominee, if applicable);
- (c) exercise all voting rights it holds or controls in the Target in favour of the Scheme at the Scheme Meeting; and
- (d) procure that, if the Scheme becomes Effective, Bidder accepts a transfer of the Scheme Shares and provides the Consideration in accordance with clause 2.3 and the Deed Poll on or before the Implementation Date.

5.3 Conditions certificate

- (a) Subject to clause 5.3(b):
 - (i) by no later than 5.00pm on the second Business Day prior to the Implementation Date (but by not earlier than 1.00pm on that date); and
 - (ii) by no later than 8.00am on the Implementation Date (but by not earlier than 7.00am on that date),

Target must give Bidder a certificate signed by any of its directors stating that so far as Target is aware:

- (iii) except to the extent previously waived, the Conditions in clauses 3.1(d) (No restraint), 3.1(e) (No Material Adverse Change), 3.1(f) (No Prescribed Occurrence) would have been satisfied if 9.00am on the Implementation Date was read as the time the certificate is given to Bidder and Target is not aware of anything that would prevent those Conditions from being satisfied;
- (iv) it is not in breach of clauses 9.2 (Conduct of business) or 10.1 (Target representations, warranties and undertakings); or
- (v) there has not been any breach of any other provision of this Agreement which might entitle Bidder to terminate under clause 15.1(a),

(each a **Target Certificate**).

- (b) If the statements referred to in clause 5.3(a) would be inaccurate, Target must provide a qualified Target Certificate setting out full details of the matters which cause or are likely to cause that certificate to be inaccurate.
- (c) For the avoidance of doubt, a Target Certificate is signed by a Target Director in his or her capacity as an officer of Target, and in no other capacity.

6. Target's other implementation obligations

6.1 Information about Shareholders

Target must:

- (a) comply with any reasonable request by Bidder to require disclosure of information in accordance with sections 290 and 291 of the FMCA, and give Bidder the information obtained as a result of requiring such disclosure but provided that Bidder shall reimburse Target for all reasonable costs and expenses of so complying; and
- (b) procure that its share registry provides to Bidder, in the form reasonably requested by Bidder, details of the Register and all other information about the Shareholders which Bidder reasonably requires in order to:
 - (i) canvas approval of the Scheme by Shareholders; or
 - (ii) facilitate the provision by Bidder of the Consideration in accordance with this Agreement, the Scheme and the Deed Poll,

in each case subject to Target's statutory or contractual obligations.

6.2 Promotion of Transaction

During the Exclusivity Period, Target will provide all reasonable cooperation to Bidder in promoting the merits of the Transaction to Shareholders, including:

- (a) providing (subject to Target's statutory or contractual obligations) such information regarding Shareholders and their holdings as Bidder reasonably requests; and
- (b) procuring that senior executives of the Target Group are available on reasonable notice to:
 - (i) meet with key Shareholders if reasonably requested to do so by Bidder; and
 - (ii) communicate with the employees, customers and suppliers of the Target Group,

subject to there being no Superior Proposal and the Independent Adviser's Report concluding that the Consideration for the Shares is within or above the Independent Advisers valuation range for the Shares, and provided that no action will be required to be undertaken under this clause 6.2 to the extent that such action would unreasonably disrupt the Target Group's business or, in the case of clause 6.2(b), would result in a breach of the relevant individual's duties as an employee.

6.3 Board changes

Subject to the Consideration having been paid to the Scheme Shareholders, Target must procure that:

- (a) such persons as Bidder nominates (by notice to Target no later than five Business Days before the Implementation Date) and who have provided to Target a signed consent to act by that time are appointed as additional directors of Target on the Implementation Date; and

- (b) unless otherwise agreed by Bidder in writing, each Independent Director, other than any appointed in accordance with clause 6.3(a), resigns as a director of Target with effect from the Implementation Date and acknowledges in writing that he or she has no claim against any member of the Target Group other than for accrued directors' fees and expenses.

7. Court proceedings

7.1 Court documents

- (a) In relation to each Court application made in relation to the Scheme, including any appeal, Target must give Bidder drafts of all documents required to be given by Target to the Court (including the originating application, affidavits, memoranda, submissions and draft Court orders) a reasonable time before they are due to be submitted to the Court (and in any event not less than 48 hours before submission, unless it is impractical in the circumstances) and must consider in good faith the reasonable comments of Bidder and its Representatives on those documents.
- (b) Target must not provide the Court with any Court orders (whether in draft or not) or applications for Court orders, or consent to any changes to any Court orders, without Bidder (acting reasonably) having approved such documents being submitted to the Court or such changes being consented to.
- (c) Nothing in clause 7.1(a) or 7.1(b) requires Target to disclose to Bidder anything in relation to any Competing Proposal if it would not be reasonable in the circumstances to disclose that information to Bidder.

7.2 Representation

In relation to each Court application made in relation to the Scheme, including any appeal:

- (a) Target must, if requested by Bidder, consent to the separate representation of Bidder by counsel; and
- (b) Bidder may appear and be represented in relation to the Court applications.

7.3 Court proceedings and conditionality

- (a) If the Court declines to make the orders sought by Target under clause 5.1(c) or 5.1(e)(ii), due in whole or in part to the lack of satisfaction of, or the potential timing for satisfaction of (or where capable of waiver, waiver of) the Conditions, Target must promptly make a further application for Initial Orders or Final Orders (as applicable), as soon as practicable after the earlier of:
 - (i) the parties satisfying the steps or matters specified by the Court or apparent from its directions or reasons as required, or desirable, in order to grant the Initial Orders or Final Orders (as the case may be) (**Court Guidance**); or
 - (ii) the date on which the OIO Condition has been satisfied.
- (b) Target will use its best endeavours to follow the Court Guidance and any guidance or requirements of the Takeovers Panel including, if indicated, providing supplementary information to Shareholders and/or convening a second Scheme Meeting.

7.4 Appeal if orders not made

If the Court does not make any order sought by Target under clause 5 (the **Decision**) to the extent clause 7.3 does not apply:

- (a) Target and Bidder must consult in good faith as to the effect of the refusal and whether to appeal the Decision; and
- (b) if, within 10 Business Days after the Decision, Target and Bidder agree to appeal the Decision or either of those parties obtains an opinion from an independent Queen's Counsel, practising in the field of corporate and securities law litigation, to the effect that there are reasonable prospects of successfully appealing the Decision, then:
 - (i) Target must appeal the Court's decision within the timeframe set out in rule 29 of the Court of Appeal (Civil) Rules 2005;
 - (ii) the cost of any such appeal is to be borne:
 - (A) if Target and Bidder agreed to appeal the Decision, equally between the parties; or
 - (B) if Target and Bidder did not agree to appeal the Decision, by the party who obtained the opinion from the independent Queen's Counsel;
 - (iii) if the End Date would otherwise occur before the appeal is finally determined, the End Date is deferred to the date that is 10 Business Days after the appeal from the Decision is finally determined; and
 - (iv) if the appeal is successful and the relevant order is made, the End Date is further deferred to the date which is X days after the original End Date (disregarding the effect of clause 7.4(b)(iii)) where X is equal to the number of days between the date of the Decision and the date on which the appeal from the Court's decision is finally determined, or to such other date as the parties agree in writing.

8. Recommendation and voting intentions

8.1 Recommendation and voting intentions of Target Directors

Target warrants that it has been informed by each Independent Director:

- (a) that he or she will recommend that Shareholders vote in favour of the Scheme (**Recommendation**);
- (b) that he or she does not currently hold Shares (either directly or through a Controlled Associate);
- (c) that, in the event he or she does come to hold Shares (either directly or through a Controlled Associate), he or she is prepared to make a statement to the effect that he or she intends to vote, or procure the voting of, all Shares held or controlled by him or her or his or her Controlled Associates in favour of the Scheme (**Statement of Intention**); and
- (d) that he or she is prepared to make the Recommendation and, if applicable, the Statement of Intention in the announcement referred to in clause 16.1 and the Scheme Booklet,

in each case (other than clause 8.1(b)) subject to:

- (e) the Independent Adviser's Report concluding that the Consideration for the Shares is within or above the Independent Adviser's valuation range for the Shares; and
- (f) there being no Superior Proposal.

8.2 Change to recommendation or voting intentions

Target warrants that it has been informed by each Independent Director that he or she will not, and Target must use its best endeavours to ensure that each Independent Director does not, change, qualify or withdraw the Recommendation or, if applicable, the Statement of Intention, or makes any statement inconsistent with that Recommendation or any such Statement of Intention unless:

- (a) the Independent Adviser's Report (or any update of, or any revision, amendment or supplement to, that report) concludes that the Consideration for the Shares is below the Independent Adviser's valuation range for the Shares; or
- (b) Target receives a Superior Proposal (and such Superior Proposal has not been withdrawn).

For the avoidance of doubt and notwithstanding anything else in this Agreement, for the purposes of this Agreement (including clauses 15.1 and 15.4), if Target has received a Superior Proposal, or a Competing Proposal it believes may be a Superior Proposal, a statement that "shareholders should take no action pending further advice" (or words to that effect) does not constitute a change, qualification or withdrawal of the Recommendation or any Statement of Intention, or a statement inconsistent with the Recommendation or any Statement of Intention, provided that at the time of making that statement the Independent Directors confirm in that statement that they have not otherwise changed or withdrawn their Recommendation and any Statement of Intention.

8.3 Notification of new circumstances

Without limiting the operation of clauses 8.1, 8.2 or 12, if circumstances arise, including the receipt or expected receipt of an unfavourable report from the Independent Adviser (including either the Independent Adviser's Report or any update of, or any revision, amendment or supplement to, that report) which may lead to any one or more of the Independent Directors changing, qualifying or withdrawing his or her Recommendation, Target must:

- (a) immediately notify Bidder of this fact; and
- (b) consult with Bidder in good faith for two Business Days after the date on which the notice under clause 8.3(a) is given to consider and determine whether there are any steps that can be taken to avoid such a change, qualification or withdrawal, provided that a statement that "shareholders should take no action pending further advice" (or words to that effect) does not constitute a change, qualification or withdrawal of the Recommendation, if in that statement the Independent Directors confirm they have not otherwise changed or withdrawn their Recommendation.

9. Access, information and conduct of business

9.1 Access and information

Until and including the Implementation Date, Target must procure that Bidder and its Representatives are given reasonable access to the properties, books and records,

management, suppliers and customers of the Target Group during normal business hours at mutually convenient times and on reasonable notice to Target for:

- (a) the purposes of enabling Bidder to understand and monitor the Target Group's business and operations, its financial position, financial performance and prospects;
- (b) the purposes of implementing the Scheme and enabling Bidder to prepare for the transition to 100% ownership of the Target Group by Bidder; and
- (c) any other purpose agreed between Target and Bidder in writing,

except to the extent that the provision of such access is prohibited by law or any confidentiality obligations owed to Third Parties and provided that:

- (d) Bidder will focus on material issues, having regard to management commitments and the impacts of the information requests on the Target Group's business;
- (e) providing access or information pursuant to clause 9.1 does not result in unreasonable disruptions to the Target Group's business in the opinion of Target, require Target to make further disclosure to any other entity or Government Agency or require the disclosure of any document that would compromise the Target Group's legal professional privilege; and
- (f) nothing in clause 9.1 will require Target to provide information concerning the Independent Directors' and management's consideration of the Scheme or any Competing Proposal (but this proviso does not limit Target's obligations under clause 12).

9.2 Conduct of business

From the date of this Agreement until and including the Implementation Date, Target must ensure that it and each other member of the Target Group:

- (a) carries on its business in the ordinary course and in substantially the same manner as conducted in the 12 months prior to the date of this Agreement and does not make any significant change to the nature or scale of its business or enter any business or undertake any activities in which it was not engaged as at the date of this Agreement;
- (b) maintains insurance in respect of the Target Group's business and assets covering such risks and for such amounts as would be maintained in accordance with the Target Group's ordinary practice and in any event to a level no less than that in place immediately prior to the date of this Agreement;
- (c) uses all reasonable endeavours to ensure that all material licences, approvals and permits necessary to operate the Target Group's business are kept in force and all conditions attaching to those licences, approvals and permits are complied with in all material respects;
- (d) uses all reasonable endeavours to:
 - (i) keep available the services of its leadership team of Target; and
 - (ii) preserve its relationships with all Government Agencies and all customers, suppliers, licensors, licensees, joint venturers and others with whom it has business dealings;

- (e) does not:
- (i) incur capital expenditure exceeding \$100,000;
 - (ii) except in the ordinary course of trading, transfer or otherwise dispose of or create any Encumbrance in respect of, assets having a value exceeding \$100,000;
 - (iii) acquire or dispose of any shares or other securities in any body corporate or any units in any trust, or substantially all of the assets of any business;
 - (iv) enter into, or terminate any participation in, any partnership, joint venture or similar commitment;
 - (v) put in place any debt facilities;
 - (vi) exceed any limitations as set out in the guidelines included in the Target Group's Treasury Policy;
 - (vii) make any material taxation election (other than an election in the ordinary course of the business), or settle, compromise or prejudice any material Tax liability;
 - (viii) make any change in accounting methods, principles or practices used by it (except if required by a change in the International Financial Reporting Standards);
 - (ix) enter into any derivative contract except in the ordinary course of business;
 - (x) enter into, waive any material rights under, vary or terminate any material contract, commitment or arrangement in a way that is material in the context of the Target Group taken as a whole;
 - (xi) acquire any interest in land (or renew, terminate or change any material terms of any interest in land) of any member of the Target Group;
 - (xii) give any guarantee of, or security for, or indemnity in connection with the obligations of any person other than a member of the Target Group, other than in the ordinary course of business and consistent with the past practice of Target Group in the 12 months prior to the date of this Agreement;
 - (xiii) increase the remuneration of, make any bonus payment, retention payment or termination payment to, or otherwise change the terms and conditions of employment of any Target Director or any employee of any member of the Target Group in each case without the approval of the Nomination and Remuneration Committee;
 - (xiv) accelerate the rights of any Target Director or any employee of any member of the Target Group to receive any benefit under any Target incentive plan, share scheme or other similar arrangement in each case without the approval of the Nomination and Remuneration Committee;
 - (xv) employ any new employees without the approval of the Nomination and Remuneration Committee;
 - (xvi) change its constitution or pass any resolution of Shareholders or any class of Shareholders (other than the Scheme Resolution, any resolution to appoint (or

reappoint) a director of Target, and any resolution to authorise the Board to fix the fees and expenses of Target's auditor);

- (xvii) fail to comply in all material respects with all laws and regulations applicable to the Business or do or omit to do anything which results in a material risk of termination, revocation, suspension, modification or non-renewal of any material Authorisation held by it;
- (xviii) commence, compromise or settle any litigation or similar proceedings for an amount exceeding the limits specified in clause 3.9 of the Target Group's Delegated Authorities Manual; or
- (xix) agree, conditionally or otherwise, to do any of the things referred to in the preceding paragraphs of this clause 9.2(e), or announce or represent to any person that any of those things will be done.

9.3 Exception

Any member of the Target Group may do anything referred to in clause 9.2(e), or not do anything required to be done under clauses 9.2(a) to 9.2(d):

- (a) with the prior written consent of Bidder (such consent not to be unreasonably withheld, conditioned or delayed). For the purposes of this clause, Bidder will be deemed to have consented in writing to:
 - (i) all actions and omissions which are approved by the Board on or after the date of this Agreement, or were approved by the Board prior to the date of this Agreement, if directors representing the interests of Bidder constituted a majority of the directors who voted in favour of that action or omission; and
 - (ii) all actions and omissions which are approved by Shareholders if any Shares held or controlled by Bidder are voted in favour of the relevant resolution or not voted on the relevant resolution;
- (b) in the case of actions or omissions referred to in clauses 9.2(a), 9.2(e)(i), 9.2(e)(vi) and 9.2(e)(x), to the extent determined by the IRC (acting reasonably) is necessary or desirable to enable the IRC to perform its role and satisfy the duties of the Independent Directors in connection with the negotiation, development and implementation of the Scheme;
- (c) in the case of actions or omissions referred to in clauses 9.2(e)(xiii) or 9.2(e)(xiv), to the extent approved by the trustee of the ESOP in accordance with the terms of the ESOP in place at the date of this Agreement and the standard practices of the trustee in relation to the operation of the ESOP;
- (d) to the extent fairly disclosed to NZX prior to the date of this Agreement but on or after 1 January 2017;
- (e) necessary to comply with any law or any regulatory requirement or direction of a Government Agency;
- (f) necessary to respond to any emergency, act of god or other disaster; or
- (g) to the extent required to permit Target to comply with its obligations under any other provision of this Agreement,

and in the case of the situations described in (d) or (e) above, only provided that Target informs Bidder as soon as possible of the actions taken or proposed to be taken, and, to the

extent practicable, considers any feedback or suggestions made by Bidder as to the proposed course of action. The parties note that the objective of this clause is that no action is taken or not taken, which may affect the future prospects of the Target Group, including its relationships with constituencies, without reasonable involvement of Bidder.

10. Representations, warranties and undertakings

10.1 Target representations, warranties and undertakings

- (a) Target represents and warrants to Bidder on:
- (i) the date of this Agreement; and
 - (ii) except where a Target Warranty is expressed to be given at the date of the Agreement only, at:
 - (A) 8.00am on the date that the Scheme Booklet is despatched to Shareholders;
 - (B) 8.00am on Second Court Date; and
 - (C) 9.00am on the Implementation Date,
- that each of the Target Warranties is true, accurate and not misleading.
- (b) Target undertakes to Bidder to comply with each of the Target Undertakings.

10.2 Bidder representations, warranties and undertakings

- (a) Bidder represents and warrants to Target:
- (i) on the date of this Agreement:
 - (ii) at 8.00am on the date that the Scheme Booklet is despatched to Shareholders;
 - (iii) at 8.00am on Second Court Date; and
 - (iv) at 9.00am on the Implementation Date,
- that each of the Bidder Warranties is true, accurate and not misleading.
- (b) Bidder undertakes to Target to comply with each of the Bidder Undertakings.

10.3 Indemnity by Target

Subject to clause 13.6, Target indemnifies Bidder against, and must pay to Bidder on demand an amount equal to, all Losses directly incurred or suffered by the Bidder Indemnified Persons arising out of or in connection with:

- (a) any matter or circumstance that results in any of the Target Warranties being untrue, inaccurate or misleading when given; or
- (b) any breach of the Target Undertakings.

10.4 Indemnity by Bidder

Subject to clause 13.6, Bidder indemnifies Target against, and must pay to Target on demand an amount equal to, all Losses directly incurred or suffered by the Target Indemnified Persons arising out of or in connection with:

- (a) any matter or circumstance that results in any of the Bidder Warranties being untrue, inaccurate or misleading when given; or
- (b) any breach of the Bidder Undertakings.

10.5 Status of representations, warranties, undertakings and indemnities

Each representation and warranty, undertaking and indemnity made or given under this clause 10 is severable and survives termination of this Agreement and each undertaking and indemnity given in this clause 10 is a continuing obligation.

10.6 Scheme becoming Effective

After the Scheme becomes Effective, any breach of the representations and warranties or the undertakings made or given under this clause 10 may only give rise to a claim for damages or under the indemnities in this clause 10 and does not entitle a party to terminate this Agreement.

11. Releases

11.1 Release of Target Indemnified Persons

Bidder waives and releases, and must procure that each member of the Bidder Group waives and releases, all rights and claims which it may have against any Target Indemnified Person (other than Target) in respect of any misrepresentation, inaccuracy or omission in or from any information or advice given by that Target Indemnified Person in connection with any representation, warranty or undertaking given by Target in this Agreement except where the Target Indemnified Person has engaged in wilful misconduct or fraud. The parties acknowledge and agree that:

- (a) Target has sought and obtained the waiver and release in this clause 11.1 as agent for and on behalf of each Target Indemnified Person and may enforce the provisions of this clause 11.1 on behalf of any Target Indemnified Person;
- (b) any Target Indemnified Person may plead this clause 11.1 in response to any claim made by any member of the Bidder Group against them; and
- (c) the undertakings contained in this clause 11.1 are given for the benefit of each Target Indemnified Person and are intended to be enforceable against Bidder by each Target Indemnified Person in accordance with the provisions of Part 2, Subpart 1 of the Contract and Commercial Law Act 2017.

11.2 Release of Bidder Indemnified Persons

Target waives and releases, and must procure that each member of the Target Group waives and releases, all rights and claims which it may have against any Bidder Indemnified Person (other than Bidder) in respect of any misrepresentation, inaccuracy or omission in or from any information or advice given by that Bidder Indemnified Person in connection with any representation, warranty or undertaking given by Bidder in this Agreement or the

preparation of the Bidder Information except where the Bidder Indemnified Person has engaged in wilful misconduct or fraud. The parties acknowledge and agree that:

- (a) Bidder has sought and obtained the waiver and release in this clause 11.2 as agent for and on behalf of each Bidder Indemnified Person and may enforce the provisions of this clause 11.2 on behalf of any Bidder Indemnified Person;
- (b) any Bidder Indemnified Person may plead this clause 11.2 in response to any claim made by any member of the Target Group against them; and
- (c) the undertakings contained in this clause 11.2 are given for the benefit of each Bidder Indemnified Person and are intended to be enforceable against Target by each Bidder Indemnified Person in accordance with the provisions of Part 2, Subpart 1 of the Contract and Commercial Law Act 2017.

12. Exclusivity

12.1 No shop restriction

Subject to clause 12.7, during the Exclusivity Period, Target must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any Competing Proposal, Potential Competing Proposal or any offer, proposal, expression of interest, enquiry, negotiation or discussion with any Third Party in relation to, or for the purpose of, or that may reasonably be expected to encourage or lead to, a Competing Proposal or a Potential Competing Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 12.1(a) on its behalf.

12.2 No talk restriction

Subject to clause 12.3 and clause 12.7, during the Exclusivity Period Target must not, and must procure that none of its Representatives, directly or indirectly:

- (a) enter into, permit, continue or participate in, negotiations or discussions with any Third Party in relation to a Competing Proposal or Potential Competing Proposal, or for the purpose of or that may reasonably be expected to encourage or lead to a Competing Proposal or Potential Competing Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 12.2(a) on its behalf,

even if the Competing Proposal or Potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Target or any of its Representatives or has been publicly announced.

12.3 No talk exception

The restriction in clause 12.2 does not apply to the extent that it restricts Target or its Representatives from taking or refusing to take any action with respect to a bona fide Competing Proposal or Potential Competing Proposal (in either case, which was not encouraged, solicited, invited, facilitated or initiated in contravention of clause 12.1 or 12.2) if:

- (a) the Board has determined, after taking advice from its external financial adviser, that the Competing Proposal or Potential Competing Proposal (as the case may be) is, or is reasonably likely to constitute, a Superior Proposal or would be reasonably likely to constitute a Superior Proposal if it were to be proposed; or
- (b) acting in good faith and after having taken written advice from its external legal advisers, the Board has determined that failing to respond to such Competing Proposal or Potential Competing Proposal would be likely to constitute a breach of the fiduciary or statutory duties, as a director of Target, of any member of the Board.

12.4 **No due diligence restriction**

Subject to clause 12.5 and clause 12.7 but without limiting clause 12.2, during the Exclusivity Period, Target must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) make available to any Third Party, or cause or permit any Third Party to receive, any non-public information relating to Target or any of its Related Entities that may reasonably be expected to assist such Third Party in formulating, developing or finalising a Competing Proposal or Potential Competing Proposal; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in clause 12.4(a) on its behalf.

12.5 **No due diligence exception**

The restriction in clause 12.4 does not apply in respect of a bona fide Competing Proposal or Potential Competing Proposal (in either case which was not encouraged, solicited, invited, facilitated or initiated in contravention of clause 12.1 or 12.2) if all of the following requirements are satisfied:

- (a) the Board has determined, after taking advice from its external financial adviser, that the Competing Proposal or Potential Competing Proposal (as the case may be) is, or is reasonably likely to constitute, a Superior Proposal or would be reasonably likely to constitute a Superior Proposal if it were to be proposed;
- (b) acting in good faith and after having obtained written advice from its external legal advisers, the Board has determined that failing to respond to such Competing Proposal or Potential Competing Proposal would be likely to constitute a breach of the fiduciary or statutory duties, as a director of Target, of any member of the Board; and
- (c) the Third Party has first entered into a written agreement in favour of Target restricting the use and disclosure by the Third Party and its affiliates and advisers of the information made available to the Third Party, on terms not substantially more favourable to the Third Party than those in the Confidentiality Agreement.

12.6 **General notification obligations**

During the Exclusivity Period, Target must immediately notify Bidder if:

- (a) Target or any of its Representatives receives any Competing Proposal or Potential Competing Proposal or any offer or request to do any of the things referred to in clause 12.2(a) or clause 12.4(a); or
- (b) Target proposes to take any action in reliance on the exceptions in clause 12.3 or clause 12.5.

12.7 Normal provision of information

Nothing in this clause 12 prevents a party from:

- (a) providing information required to be provided by law, any court of competent jurisdiction, any Government Agency or the NZX Listing Rules; or
- (b) making presentations to, and responding to bona fide enquiries from, stockbrokers, portfolio investors and equity market analysts in relation to the Scheme or in accordance with its usual practices.

12.8 Bidder Actions

Nothing done or omitted to be done by the Bidder Group or any Bidder Director will constitute a breach of this clause 12 by Target, and any such thing done or omitted to be done shall be deemed not to be an action or omission of Target for the purposes of this clause 12.

12.9 Independent Response Committees

In this clause 12, references to the Board in the context of a Competing Proposal or Potential Competing Proposal shall be deemed to include any committee of the Board, comprising independent directors (being those directors who do not have a disqualifying relationship (as that term is defined in the NZX Listing Rules) in relation to assessment of the Competing Proposal or Potential Competing Proposal).

13. Reimbursement Fee and Reverse Reimbursement Fee

13.1 Acknowledgement and agreement

Target (on the one hand) and Bidder (on the other hand) each acknowledges and agrees that:

- (a) the other and its Related Entities have incurred and will continue to incur significant costs and expenses in pursuing the Transaction including:
 - (i) advisory costs;
 - (ii) costs of management and directors' time;
 - (iii) in respect of Bidder, funding costs;
 - (iv) out of pocket expenses; and
 - (v) opportunity costs of pursuing the Transaction or in not pursuing alternative transactions or business opportunities;
- (b) the costs and expenses actually incurred by each party and its Related Entities are of such nature that they cannot accurately be ascertained;
- (c) the Reimbursement Fee and Reverse Reimbursement Fee are each liquidated damages and are reasonably necessary for the protection of their respective legitimate interests in securing performance of the parties' obligations and completion of the Scheme and are proportionate to those interests;

- (d) the parties have negotiated the inclusion of this clause 13 in this Agreement and would not have entered into this Agreement without it; and
- (e) each party has received external legal and financial advice in relation to this clause 13 and has concluded that it is reasonable and appropriate for it to agree to payment of the Reimbursement Fee or Reverse Reimbursement Fee (as applicable) in the circumstances described in clause 13.2 or 13.3 (as applicable) in order to secure the other party's entry into this Agreement.

13.2 **Circumstances where Reimbursement Fee payable**

Subject to clause 13.5 and clause 13.7, Target must pay the Reimbursement Fee to Bidder if:

- (a) at any time before this Agreement is terminated a Competing Proposal or Potential Competing Proposal, which is not Bidder Assisted, is announced and the person making the Competing Proposal or Potential Competing Proposal or one or more persons that Control, or are under the Control of, that person completes, within 12 months of the date of termination, in all material respects a transaction, which is not Bidder Assisted, of the kind referred to in the definition of Competing Proposal;
- (b) any Independent Director fails to make the Recommendation or, if required, the Statement of Intention or changes, qualifies or withdraws that Recommendation or Statement of Intention or makes any statement inconsistent with that Recommendation or Statement of Intention, except where the Independent Adviser issues an Independent Adviser's Report which concludes that the Consideration for the Shares is not within or above the Independent Adviser's valuation range for the Shares or there is a Bidder Assisted Superior Proposal; or
- (c) Bidder terminates this Agreement as permitted under clause 15.1(a) or 15.1(c).

13.3 **Circumstances where Reverse Reimbursement Fee payable**

Subject to clause 13.5 and clause 13.7, Bidder must pay the Reverse Reimbursement Fee to Target if Target terminates this Agreement as permitted under clause 15.2.

13.4 **Payment of Reimbursement Fee or Reverse Reimbursement Fee**

If the Reimbursement Fee or Reverse Reimbursement Fee become payable under this Agreement, Target or Bidder (as the case requires) must pay it to or as directed by the other party without withholding or set-off (except as required by law) within 10 Business Days after receipt of a written demand for payment from the other party.

13.5 **Reimbursement Fee or Reverse Reimbursement Fee not payable**

Notwithstanding anything else in this Agreement:

- (a) neither the Reimbursement Fee nor Reverse Reimbursement Fee is payable if the Scheme becomes Effective;
- (b) the Reimbursement Fee and Reverse Reimbursement Fee are payable only once; and
- (c) in the event that Target pays the Reimbursement Fee under this clause 13, in no circumstances will Bidder be required to pay the Reverse Reimbursement Fee (and vice versa).

13.6 Sole and exclusive remedy

- (a) Bidder acknowledges and agrees that payment of the Reimbursement Fee is the sole and exclusive remedy available to Bidder in connection with any event or occurrence referred to in clause 13.2 (Circumstances where Reimbursement Fee payable) and Target is not liable for any loss or damage arising in connection with any such event or occurrence other than for any liability that it may have to pay Bidder the Reimbursement Fee under this clause 13.
- (b) Target acknowledges and agrees that payment of the Reverse Reimbursement Fee is the sole and exclusive remedy available to Target in connection with any event or occurrence referred to in clause 13.3 (Circumstance where Reverse Reimbursement Fee payable) and Bidder is not liable for any loss or damage arising in connection with any such event or occurrence other than for any liability that it may have to pay Target the Reverse Reimbursement Fee under this clause 13.

13.7 Amendments to Reimbursement Fee Arrangements

If any of the following occurs:

- (a) The Takeovers Panel indicates to either party in writing that it requires any modification to the amount of the Reimbursement Fee or Reverse Reimbursement Fee or the circumstances in which either is to be paid (the **Reimbursement Fee Arrangements**) as a condition of not opposing the Scheme; or
- (b) the Court requires any modification to the Reimbursement Fee Arrangements as a condition of making orders convening the Scheme Meeting,

then the parties must amend this clause 13 to the extent required to give effect to the requirements of the Court or the Takeovers Panel, as the case may be, and in the circumstances referred to in clause 13.7(b) must give the required undertakings.

13.8 Qualifications

No amount will be payable by Target under this clause 13 if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 13.2. To the extent that any amounts have already been paid under this clause 13 and the Scheme becomes Effective, such amounts will be immediately refunded to Target.

14. Partly Paid Shares

14.1 Background

As at the date of this Agreement, Target has the following tranches of Partly Paid Shares on issue:

- (a) 681,000 Partly Paid Shares with an issue date of 30 September 2014 or 30 September 2015 (the **Tranche 1 PPS**);
- (b) 1 million Partly Paid Shares with an issue date of 24 February 2017 (the **Tranche 2 PPS**);
- (c) 1,737,000 Partly Paid Shares, interests in which have been forfeited by relevant ESOP participants under the terms of the ESOP (the **Tranche 3 PPS**),

with each tranche being paid up only to one cent per share. Each of the Partly Shares were issued under the ESOP.

14.2 Current proposal

- (a) As at the date of this Agreement, the parties intend that the Partly Paid Shares will be acquired by Bidder under the Scheme, paid up to one cent only at the time of transfer, as set out in the draft arrangement plan attached as Annex A (the **PPS Proposal**), with the cash consideration for those Partly Paid Shares under the Scheme to be agreed between the parties.
- (b) The parties acknowledge that the consideration for each of the three tranches of Partly Paid Shares may be different.

14.3 Finalisation of treatment

The parties:

- (a) agree to use their reasonable endeavours to finalise the treatment of the Partly Paid Shares under the Scheme as soon as possible after the date of this Agreement, applying the principles set out in clause 14.4; and
- (b) acknowledge that a different structure to that contemplated by the PPS Proposal may be required (an **Alternative PPS Proposal**), including some or all of the Partly Paid Shares being acquired fully-paid or being cancelled.

14.4 Principles

The parties will apply the following principles when agreeing the treatment of the Partly Paid Shares under the Scheme:

- (a) the consideration for and the treatment of the Partly Paid Shares under the Scheme will be fair and reasonable, as certified by the Independent Adviser:
 - (i) as between each class of Partly Paid Shares and the Shares; and
 - (ii) as among the different classes of Partly Paid Shares; and
- (b) the treatment of the Partly Paid Shares under the Scheme must not result in the holder of any of the Partly Paid Shares constituting a separate interest class for purposes of section 236A(4) of the Companies Act.

14.5 Amendments to arrangement plan and deed poll

If the parties agree an Alternative PPS Proposal, then they agree to make any changes which are necessary or desirable to:

- (a) the arrangement plan set out Annex A;
- (b) the form of Deed Poll attached as Annex B; and
- (c) this Agreement,

to give effect to the Alternative PPS Proposal.

15. Termination

15.1 Events affecting the Target Group

Subject to clause 15.3, Bidder may terminate this Agreement by giving notice in writing to Target before 9.00am on the Implementation Date if:

- (a) Target is in breach of this Agreement (including a breach of a Target Warranty) and that breach is material in the context of the Scheme and the Target Group taken as a whole. For the avoidance of doubt, it will be a material breach of this Agreement if any Independent Director fails to make the Recommendation or, if applicable, any relevant Independent Director fails to make a Statement of Intention, or changes, qualifies or withdraws that Recommendation or Statement of Intention once made or makes any statement inconsistent with that Recommendation or that Statement of Intention (including any statement recommending, supporting or endorsing another transaction (including any Competing Proposal)), except where the Independent Adviser issues an Independent Adviser's Report which concludes that the Consideration for the Shares is not within or above the Independent Adviser's valuation range for the Shares or there is a Bidder Assisted Superior Proposal;
- (b) a Material Adverse Change occurs on or after the date of this Agreement; or
- (c) a Prescribed Occurrence occurs on or after the date of this Agreement.

15.2 Events affecting Bidder

Subject to clause 15.3, Target may terminate this Agreement by giving notice in writing to Bidder before 9.00am on the Implementation Date if:

- (a) Bidder is in breach of this Agreement (including a breach of a Bidder Warranty) and that breach is material in the context of the Scheme and the Bidder Group taken as a whole; or
- (b) an Insolvency Event occurs in respect of Bidder.

15.3 Notice of termination

A party may only exercise a right of termination under clause 15.1 or clause 15.2 if:

- (a) the party wishing to terminate has given notice to the other party setting out the circumstances that it considers permit it to do so and stating its intention to do so;
- (b) the relevant circumstances have not been remedied within 10 Business Days after the time that the notice is given or any shorter period ending at 5.00pm on the day before the Implementation Date, or are incapable of being remedied within such timeframe; and
- (c) the party wishing to terminate does so before the earlier to occur of 15 Business Days after the time that the notice is given and 9.00am on the Implementation Date.

15.4 Recommendation and Independent Adviser's Report

- (a) Bidder may terminate this Agreement by giving notice in writing to the other at any time before 8.00am on the Second Court Date if the Independent Adviser's Report concludes that the Consideration for the Shares is below the Independent Adviser's valuation range for the Shares.

- (b) Bidder may terminate this Agreement by giving notice in writing to the Target at any time before 9.00am on the Implementation Date if any Independent Director fails to make the Recommendation or, if applicable, any relevant Independent Director fails to make the Statement of Intention or changes, qualifies or withdraws that Recommendation or Statement of Intention once made or makes any statement inconsistent with that Recommendation or that Statement of Intention

15.5 Superior Proposal

Either Target or Bidder may terminate this Agreement by giving notice in writing to the other party if at any time before 9:00am on the Implementation Date there is a Superior Proposal that is unanimously recommended by the members of the Board who do not have a disqualifying relationship (as that term is defined in the NZX Listing Rules) in relation to that proposal provided that Target has given Bidder written notice of the Superior Proposal and a period of not less than five Business Days to match or better that proposal (and each subsequently improved Superior Proposal).

15.6 OIO conditions not satisfied

Either Target or Bidder may terminate this Agreement by giving notice in writing to the other if:

- (a) the OIO Condition becomes incapable of satisfaction before the End Date; and
- (b) the terminating party has complied with its obligations under clause 3.3, and in all material respects with its obligations under clauses 3.4 and 3.8 in relation to the satisfaction of the OIO Condition.

15.7 Scheme Resolution not passed

Either Target or Bidder may terminate this Agreement by giving notice in writing to the other if:

- (a) the Scheme Meeting is held but the Scheme Resolution is not passed by the requisite majorities in accordance with sections 236A(2)(a) and 236A(4) of the Companies Act; and
- (b) the terminating party has complied in all material respects with its obligations under this Agreement.

15.8 Court determines not to grant the Final Orders

Subject first to complying with clauses 7.3 and 7.4, either party may terminate this Agreement by giving notice in writing to the other party if the Court determines not to grant the Final Orders and the terminating party has complied in all material respects with its obligations under this Agreement.

15.9 End Date

Either Target or Bidder may terminate this Agreement by giving notice in writing to the other if the Scheme has not become Effective by the date 10 Business Days after the End Date, provided that the terminating party's failure to comply with its obligations under this Agreement has not directly and materially contributed to the Scheme not becoming Effective by the End Date.

15.10 Effect of termination

If this Agreement is terminated under this clause 15, then:

- (a) except as provided in clause 15.10(c), all the provisions of this Agreement cease to have effect and each party is released from its obligations to further perform this Agreement;
- (b) each party retains all rights that it has against the other party in respect of any breach of this Agreement occurring before termination; and
- (c) the provisions of, and the rights and obligations of each party under, this clause 15 and each of the Surviving Clauses survive termination of this Agreement.

16. Announcements

16.1 Initial announcements

As soon as reasonably practicable after this Agreement is signed Target must issue an announcement in a form agreed with Bidder and including:

- (a) each Independent Director's Recommendation; and
- (b) a Statement of Intention from each Independent Director who holds Shares (either directly or through a Controlled Associate) at the time such announcement is made,

in each case in the absence of a Superior Proposal and subject to the Independent Adviser's Report concluding that the Consideration for the Shares is within or above the Independent Adviser's valuation range for the Shares.

16.2 Other announcements

Each party must not make, and must procure that its Representatives do not make, any public announcement concerning the Scheme or the subject matter of this Agreement other than:

- (a) the announcement referred to in clause 16.1;
- (b) in the case of Target, any administrative information in relation to the Shareholders approving the Scheme at the Scheme Meeting by the requisite majorities in accordance with sections 236A(2)(a) and 236A(4) of the Companies Act;
- (c) with the written consent of the other party, which must not be unreasonably withheld or delayed; or
- (d) if required by law, any court of competent jurisdiction, any Government Agency or the NZX Listing Rules, but if either party is so required to make any announcement, it must promptly notify the other party, where practicable and lawful to do so, before the announcement is made and must co-operate with the other party regarding the timing and content of such announcement or any action which the other party may reasonably elect to take to challenge the validity of such requirement.

17. Payments

17.1 Manner of payments

Unless otherwise expressly stated (or as otherwise agreed in the case of a given payment), each payment to be made under this Agreement must be made in NZ\$ by transfer of the relevant amount into the relevant account on or before the date on which the payment is due and in immediately available funds. The relevant account for a given payment is the account that the party due to receive the payment specifies, not less than 10 Business Days before the date on which payment is due, by giving notice to the party due to make the payment.

17.2 Default interest

If a party defaults in making any payment when due of any sum payable under this Agreement, it must pay interest on that sum from (and including) the date on which payment is due until (but excluding) the date of actual payment (after as well as before judgment) at an annual rate of 5% above the Reference Rate on that sum, which interest accrues from day to day and must be compounded monthly.

18. GST

18.1 Interpretation

Words and expressions that are defined in the GST Act have the same meaning when used in this clause 18. For the purposes of this clause 18, references to GST chargeable and input tax credit entitlements of any entity include GST chargeable against, and the input tax credit entitlements of, the representative member of the GST group of which the entity is a member.

18.2 Consideration exclusive of GST

For avoidance of doubt, the parties agree that the supply of Shares pursuant to this Agreement is an exempt supply of a financial service and therefore not subject to GST. All other stated amounts payable or consideration to be provided under or in connection with this Agreement do not include GST (**GST Exclusive Consideration**).

18.3 Payment of GST

If GST is chargeable on any supply made under or in connection with this Agreement the recipient must pay to the party that has made or will make the supply (the **Supplier**), in addition to the GST Exclusive Consideration, an additional amount equal to the GST chargeable on that supply (the **Additional Amount**). The recipient must pay the Additional Amount without set-off, demand or deduction, at the same time and in the same manner as any GST Exclusive Consideration for that supply is required to be paid, except that the recipient is not required:

- (a) to pay the Additional Amount unless and until the Supplier has issued a tax invoice under clause 18.4; or
- (b) to pay any GST Default Amounts included in the Additional Amount if those GST Default Amounts result from the Supplier failing to comply with its obligations under the GST Act.

18.4 Tax invoice

For any supply to which clause 18.3 applies, the Supplier must issue a tax invoice which complies with the GST Act.

18.5 Adjustments

If an event referred to in section 25(1) of the GST Act occurs in relation to a taxable supply made under or in connection with this Agreement, the GST payable on that supply will be recalculated to reflect that adjustment, a debit note or credit note will be issued as required by the GST Act and an appropriate payment will be made between the parties.

18.6 Input tax credits

Notwithstanding any other provision of this Agreement, if an amount payable under or in connection with this Agreement is calculated by reference to any loss, damage, cost, expense, charges or other liability incurred or suffered by a party, then the amount payable must be reduced by the amount of any input tax credit or other deduction from output tax to which that entity is entitled in respect of the acquisition of any supply to which the loss, damage, cost, expense, charge or other liability relates. For the avoidance of doubt, this clause 18.6 does not apply to adjust the Reimbursement Fee or Reverse Reimbursement Fee.

19. Notices

19.1 Manner of giving notice

Any notice or other communication to be given under this Agreement must be in writing (which includes email) and may be delivered or sent by post or email to the party to be served as follows:

(a) to Target at:

Address: Level 1, 36 Tennyson Street, Wellington, 6011, New Zealand

Email: Paris.Bree@nzog.com

For the attention of: Paris Bree

with a copy to:

Address: Simpson Grierson, Level 24, 195 Lambton Quay, Wellington, 6140

Email: don.holborow@simpsonagrierson.com

For the attention of: Don Holborow

(b) to Bidder at:

Address: 1A International Business Park, #07-02, Singapore 609933

Email: marco.argentieri@og-oilgas.com

For the attention of: Marco Argentieri

with copies to:

Address: Bell Gully, Level 22, Vero Centre, 48 Shortland St, PO Box 4199, Auckland

Email: james.cooney@bellgully.com / david.coull@bellgully.com

For the attention of: James Cooney / David Coull

or at any such other address or email address notified for this purpose to the other parties under this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

19.2 **When notice given**

Any notice or other communication is deemed to have been given, in the absence of earlier receipt:

- (a) if delivered, on the date of delivery; or
- (b) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another); or
- (c) if sent by email, four business hours (being the hours between 9am and 5pm on a Business Day in the jurisdiction of the recipient) after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered (excluding an "out of office" automated message),

but if the notice or other communication would otherwise be taken to be received after 5.00 pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00 am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

19.3 **Proof of service**

In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail or that the e-mail was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's e-mail system, as the case may be.

19.4 **Documents relating to legal proceedings**

This clause 19 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this Agreement provided however that Bell Gully (Level 22, Vero Centre, 48 Shortland St, Auckland) has and is hereby granted by Bidder the authority to accept service of any such document or other document in connection with any proceedings, suit or action against or related to the Bidder, such that service of any such document on Bell Gully shall be deemed to be valid and effective service on the Bidder.

20. General

20.1 Amendments

- (a) This Agreement may only be amended prior the Scheme becoming Effective.
- (b) Any amendment to this Agreement will only be effective if it is in writing and signed by all the parties.
- (c) Notwithstanding clauses 11.1(c), 11.2(c) and clause 5 of Part 2 of Schedule 3, this Agreement may be varied by the parties to it without the approval of any Target Indemnified Person or any Bidder Indemnified Person.

20.2 Assignments

None of the rights or obligations of a party under this Agreement may be assigned, transferred or novated without the prior written consent of the other party (such consent not to be unreasonably withheld).

20.3 Costs

Except as otherwise expressly provided in this Agreement, each party must pay the costs and expenses incurred by it in connection with entering into and performing its obligations under this Agreement, the Scheme and the Deed Poll.

20.4 Entire agreement

This Agreement contains the entire agreement between the parties relating to the Transaction and supersedes all previous agreements, whether oral or in writing, between the parties relating to the Transaction except for the Confidentiality Agreement.

20.5 Execution in counterparts

This Agreement may be executed in counterparts, which taken together must constitute one and the same agreement, and any party (including any duly authorised representative of a party) may enter into this Agreement by executing a counterpart. Scanned signatures are taken to be valid and binding to the same extent as original signatures.

20.6 Exercise and waiver of rights

The rights of each party under this Agreement:

- (a) may be exercised as often as necessary;
- (b) except as otherwise expressly provided by this Agreement, are cumulative and not exclusive of rights and remedies provided by law; and
- (c) may be waived only in writing and specifically,

and delay in exercising or non exercise of any such right is not a waiver of that right.

20.7 Further assurance

Each party undertakes, at the request, cost and expense of the other party, to sign all documents and to do all other acts, which may be necessary to give full effect to this Agreement.

20.8 Severability

The provisions contained in each clause of this Agreement are enforceable independently of each other clause of this Agreement and the validity and enforceability of any clause of this Agreement will not be affected by the invalidity or unenforceability of any other clause.

21. Governing law and jurisdiction

21.1 Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it is governed by the law applying in New Zealand.

21.2 Jurisdiction

The courts having jurisdiction in New Zealand have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with this Agreement) and each party irrevocably submits to the exclusive jurisdiction of the courts having jurisdiction in New Zealand.

Execution

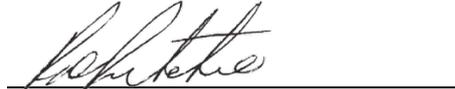
Executed as an agreement.

New Zealand Oil & Gas Limited by



Director/Authorised signatory

Dr Rosalind Archer
Print Name



Director/Authorised signatory

Roderick Ritchie
Print Name

O.G. Oil & Gas (Singapore) Pte. Ltd., by

Director/Authorised signatory

Print Name

Director/Authorised signatory

Print Name

Execution

Executed as an agreement.

New Zealand Oil & Gas Limited by

Director/Authorised signatory

Director/Authorised signatory

Print Name

Print Name

O.G. Oil & Gas (Singapore) Pte. Ltd., by



Director/Authorised signatory

Director/Authorised signatory

Alistair McGregor

Print Name

Vineet Kunzru

Print Name

Schedule 1: Prescribed Occurrences

1. Target authorises, declares, pays, or makes any dividends, bonuses or other payments or distributions (within the meaning of the Companies Act) of any nature (including, without limitation, any Share buybacks, redemptions or other form of capital reduction) on or in respect of, any of the Shares or the Partly Paid Shares.
2. Any Target Group member issuing, agreeing to issue, or granting an option or right to subscribe for, shares, convertible securities, other securities or financial products of any nature (including warrants, options, phantom or cash settled rights over Shares, convertible notes, entitlements, rights or interests in any ordinary shares) other than the issuing of shares by a wholly owned subsidiary of Target to Target or another wholly owned subsidiary of Target.
3. Target or a member of the Target Group:
 - (a) altering the rights, privileges, benefits, entitlements or restrictions attaching to any securities (including the Shares and the Partly Paid Shares) or other securities or financial products (if any) of any member of the Target Group;
 - (a) converting all or any of the Shares or the Partly Paid Shares into a larger or smaller number; or
 - (b) reducing its share capital in any way or buying back (or agreeing to buy back) any shares.
4. Any alteration to the constitutional documents of any member of the Target Group.
5. An Insolvency Event occurs in respect of a member of the Target Group.
6. A resolution is passed for any amalgamation of any member of the Target Group, or any of them is involved in any merger or scheme of arrangement (other than a solvent scheme of arrangement or an amalgamation, merger or scheme of arrangement involving solely Target and/or one or more wholly owned subsidiaries of Target).
7. The Shares cease to be quoted on the NZX.
8. Any alteration to the terms of the ESOP, other than to comply with law or the NZX listing rules.
9. A member of the Target Group is, or will be, under any obligation to make any payment or provide any consideration to any of its employees or directors in the event of any member of the Target Group becoming a wholly-owned subsidiary of the Bidder, which is material in the context of the Target Group taken as a whole (unless approved in writing by the Bidder).
10. A member of the Target Group increases the remuneration of (including with regard to any superannuation, benefits, incentives or bonuses), or materially varies the terms of employment of, or terminates the employment of, any of its directors, officers or senior employees, other than within the exceptions provided in clauses 9.2(e)(xiii), 9.2(e)(xiv) and 9.2(e)(xv) and 9.3 or on the basis of retirement by rotation under the NZX Listing Rules.
11. A member of the Target Group accelerates the rights of any of its directors, officers or employees to benefits of any kind, other than within the exceptions provided in clauses 9.2(e)(xiv) and 9.3.
12. The board or shareholders of a Target Group member pass a resolution or to do or authorise the doing of any act or matter referred to in any of paragraphs 1 to 11.

Schedule 2: Target Warranties and Undertakings

PART 1

TARGET WARRANTIES

1. Target is a corporation validly existing under the laws of its place of incorporation.
2. Target has the power to execute this Agreement and to perform its obligations under this Agreement and the Scheme, and has taken all necessary corporate action to authorise such execution and the performance of such obligations.
3. Target's obligations under this Agreement are legal, valid and binding obligations enforceable subject to and in accordance with their terms.
4. The execution by Target of this Agreement and the performance of its obligations under this Agreement and the Scheme do not and will not conflict with or constitute a default under any provision of:
 - (a) its constitution; or
 - (b) any law, order, judgment, award, injunction, decree, rule or regulation by which Target is bound.
5. No Prescribed Occurrence has occurred on or after 19 May 2019.
6. As at the date of this Agreement, Target's capital structure is as set out in Schedule 4 Part A, and the Target Group's capital structure as set out in Part B and there are no other shares, options or other securities (including equity securities, debt securities or convertible securities) or other instruments which are convertible into securities in a member of the Target Group on issue, nor has any member of the Target Group offered or agreed to issue or grant, and no person has any right to call for the issue or grant of, any such shares, options or other securities or other instruments to any Third Party.
7. As at 9.00am on the Implementation Date, there will be on issue no more than 164,430,718 Shares, plus the number of Partly Paid Shares (if any) which have become Shares under the terms of the ESOP (such number not exceeding 1,681,000 Shares), and no more than 3,418,000 Partly Paid Shares (less the number of Partly Paid Shares (if any) which have become Shares under the terms of the ESOP), and no securities, options, performance rights or instruments will be outstanding or become outstanding which give (or may give) any right to or which may become convertible into Shares.
8. As at the date of this Agreement, Target (excluding the Bidder Directors) is not currently in negotiations or discussions (other than with Bidder and its Representatives) with any party relating to any Competing Proposal.

PART 2

TARGET UNDERTAKINGS

1. Target will ensure that the Target Information:
 - (a) is prepared in good faith and on the understanding that each of the Bidder Indemnified Persons will rely on that information for the purposes of considering and approving the Bidder Information in the Scheme Booklet;
 - (b) complies with the Companies Act, FMCA and all other applicable laws and the NZX Listing Rules; and
 - (c) in the form and context in which it appears in the Scheme Booklet is true and correct in all material respects and is not misleading or deceptive, including by omission as at the date the Scheme Booklet is sent to Shareholders.
2. Target will provide to Shareholders and Bidder all new material information of which it becomes aware after the Scheme Booklet has been sent to Shareholders and before the date of the Scheme Meeting which is necessary to ensure that the Target Information, in the form and context in which it appears in the version of the Scheme Booklet sent to Shareholders, is not misleading or deceptive, including by omission.
3. All information provided by or on behalf of Target to the Independent Adviser will be provided in good faith and on the understanding that the Independent Adviser will rely upon that information for the purpose of preparing the Independent Adviser's report for inclusion in the Scheme Booklet, will be true and correct in all material respects and will not be misleading or deceptive including by omission.

Schedule 3: Bidder Warranties and Undertakings

PART 1

BIDDER WARRANTIES

1. Each of Bidder and Bidder Nominee (if applicable) is a corporation validly existing under the laws of its place of incorporation.
2. Each of Bidder and Bidder Nominee (if applicable) has the power to execute and deliver and to perform its obligations under this Agreement and the Deed Poll, and has taken all necessary corporate action to authorise such execution and delivery and the performance of such obligations.
3. The obligations of Bidder under this Agreement are, and the obligations of Bidder and Bidder Nominee (if applicable) under the Deed Poll will, on execution of the Deed Poll be, legal, valid and binding obligations enforceable subject to and in accordance with their terms.
4. The execution and delivery by Bidder of this Agreement and the execution and, in due course, delivery by Bidder and Bidder Nominee (if applicable) of the Deed Poll do not and will not conflict with or constitute a default under any provision of:
 - (a) any agreement or instrument to which Bidder or Bidder Nominee is a party;
 - (b) the constitution or equivalent documents of Bidder or Bidder Nominee; or
 - (c) any law, order, judgment, award, injunction, decree, rule or regulation by which Bidder or Bidder Nominee is bound.
5. As at the date of this Agreement, Bidder is not aware of any breach of any Target Warranty.
6. Bidder's directors (and the directors of Bidder Nominee, if applicable) are of good character (for the purposes of section 16(2)(c) of the Overseas Investment Act 2005) and are not individuals of a kind referred to in section 15 or 16 of the Immigration Act 2009.
7. As at 8.00am on the Second Court Date Bidder or Bidder Nominee (if applicable) will have binding agreements in place (or adequate funds) to fund its obligation to pay the Consideration in accordance with the Scheme and the Deed Poll conditional only upon:
 - (a) the Court approving the Scheme and the Scheme becoming Effective; and
 - (b) the Conditions (to the extent they have not been satisfied or waived prior to the Second Court Date) and other customary conditions precedent to draw down.

PART 2

BIDDER UNDERTAKINGS

1. Bidder will ensure that the Bidder Information:
 - (a) is prepared in good faith and on the understanding that each of the Target Indemnified Persons will rely on that information to prepare the Scheme Booklet and to propose and implement the Scheme in accordance with the Companies Act;
 - (b) complies with the Companies Act and the FMCA and all other applicable laws; and

- (c) in the form and context in which it appears in the Scheme Booklet is true and correct in all material respects and is not misleading or deceptive, including by omission as at the date the Scheme Booklet is sent to Shareholders.
2. Bidder will provide to Target all new material information of which it becomes aware after the Scheme Booklet has been sent to Shareholders and before the date of the Scheme Meeting which is necessary to ensure that the Bidder Information, in the form and context in which that information appears in the version of the Scheme Booklet sent to Shareholders, is not misleading or deceptive in any material respect, including by omission.
3. All information provided by or on behalf of Bidder to the Independent Adviser will be provided in good faith and on the understanding that the Independent Adviser will rely upon that information for the purpose of preparing the Independent Adviser's Report for inclusion in the Scheme Booklet, will be true and correct in all material respects and will not be misleading or deceptive, including by omission.
4. Subject to the Companies Act and the Scheme becoming Effective, Bidder undertakes in favour of Target and each Target Indemnified Person that it will:
- (a) subject to clause 5 below, for a period of 7 years from the Implementation Date, ensure that the constitutions of Target and each Target Group member continue to have equivalent obligations to those currently contained in their constitutions at the date of this Agreement that provide for each company to indemnify each of its current and former directors and officers against any liability (excluding for fraud or wilful misconduct) incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Target Group member; and
- (b) procure that Target and each Target Group member complies with any provisions in deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, Bidder will ensure that the directors' and officers' run-off insurance cover already in place and fully paid before the date of this Agreement, for those directors and officers is maintained on no less favourable terms than Target's current directors and officers policy, subject to clause 5 below, for a period of 7 years from the retirement date of each director and officer. For the avoidance of doubt, this clause does not intend to impose any obligation on Bidder to pay for run-off insurance or any further insurance to achieve these purposes.
5. The undertakings contained in clause 4 above are given:
- (a) for the benefit of each Target Indemnified Person and are intended to be enforceable against Bidder by each Target Indemnified Person in accordance with the provisions of Part 2, Subpart 1 of the Contract and Commercial Law Act 2017; and
- (b) until the earlier of the end of the relevant period specified in that clause or the relevant Target Group member ceasing to be part of the Bidder Group.

Schedule 4: Capital Structure

PART A

Type of security	Total number on issue
Fully paid ordinary shares	164,430,718
Partly paid ordinary shares	3,418,000

PART B

Entity name	Total number on issue	Class	Name of shareholder(s)
New Zealand Oil & Gas Limited	167,848,718	Ordinary	-
Australia and New Zealand Petroleum Limited	11,844,326	Ordinary	New Zealand Oil & Gas Limited
Gas Industry Company Limited	14	Ordinary	New Zealand Oil & Gas Limited Mercury NZ Limited Contact Energy Limited Shell (Petroleum Mining) Company Limited Genesis Energy Limited Vector Limited OMV New Zealand Limited Powerco Limited Greymouth Gas New Zealand Limited Methanex New Zealand Limited Nova Energy Limited First Gas Limited Emstradepoint Limited Trustpower Limited
NZOG 2013 O Limited	100	Ordinary	New Zealand Oil & Gas Limited

Entity name	Total number on issue	Class	Name of shareholder(s)
NZOG 2013 T Limited	100	Ordinary	New Zealand Oil & Gas Limited
NZOG Canterbury Limited	100	Ordinary	New Zealand Oil & Gas Limited
NZOG Devon Limited	100	Ordinary	New Zealand Oil & Gas Limited
NZOG Energy Limited	100	Ordinary	New Zealand Oil & Gas Limited
NZOG GNA Trustee Limited	100	Ordinary	New Zealand Oil & Gas Limited
NZOG Offshore Limited	100	Ordinary	New Zealand Oil & Gas Limited
NZOG Onshore Limited	100	Ordinary	New Zealand Oil & Gas Limited
NZOG Pacific Limited	100	Ordinary	New Zealand Oil & Gas Limited
NZOG Services Limited	20,295,769	Ordinary	New Zealand Oil & Gas Limited
NZOG Taranaki Limited	100	Ordinary	New Zealand Oil & Gas Limited
Petroleum Resources Limited	62,98,904	Ordinary	New Zealand Oil & Gas Limited

Schedule 5: Timetable

	Event	Indicative Date
1.	Execution of this Agreement by Target	9 July 2019
2.	Announcement that this Agreement has been entered into	10 July 2019
3.	Bidder to submit its application under the Overseas Investment Act 2005	Within 10 Business Days of item 1
4.	Draft Scheme Booklet (including Independent Adviser's Report) provided to Bidder	Within 10 Business Days of item 1
5.	Draft Scheme Booklet provided to the Takeovers Panel for review	Within 15 Business Days of item 4
6.	Scheme Booklet (including Independent Adviser's Report) approved by Takeovers Panel	Within 15 Business Days of item 5
7.	First Court Date	Within 10 Business Days of item 6
8.	Scheme Booklet sent to Shareholders (including Independent Adviser's Report)	Within 5 Business Days of receiving the sealed Initial Orders
9.	Time and date for determining eligibility to vote at Scheme Meeting	48 hours before the scheduled meeting time for the Scheme Meeting
10.	Scheme Meeting	20 Business Days of item 8
11.	Second Court Date	10 Business Days after the Scheme Meeting
12.	Final Orders Date	One Business Day after the Second Court Date (assuming that a hearing is held)
13.	Record Date	5 Business Days after the later of the: (a) the Final Orders Date; and (b) the date on which the OIO Condition is satisfied.
14.	Implementation Date	5 Business Days after the Record Date

Schedule 6: Standard OIO Conditions

For the purposes of clause 3.1(a)(i) of the Agreement, the terms and conditions are:

- (a) the time period after which the consent will lapse if the Shares and the Partly Paid Shares have not been acquired by and transferred to Bidder, provided such date is not less than 12 months from the date of the consent;
- (b) the requirement for Bidder to acquire the Shares and the Partly Paid Shares using the acquisition, ownership and control structure described in the application;
- (c) the requirement for Bidder to notify the Overseas Investment Office (OIO) in writing confirming that settlement of the acquisition of the Shares and the Partly Paid Shares took place, such notice to include:
 - (i) the date of settlement;
 - (ii) the final consideration paid;
 - (iii) the structure by which the acquisition was made and who acquired the Shares and the Partly Paid Shares;
 - (iv) where applicable, copies of transfer documents and settlement statements; and
 - (v) any other information that would aid the OIO in its function to monitor conditions of consent;
- (d) the requirement that Bidder, or the individuals with control of Bidder, must:
 - (i) continue to be of good character; and
 - (ii) not become an individual of the kind referred to in sections 15 or 16 of the Immigration Act 2009 (New Zealand);
- (e) the requirement that Bidder must notify the OIO within 20 business days if:
 - (i) Bidder, any individual with control of Bidder, or any person in which Bidder or any individual with control of Bidder has, or had at the time of the offence or contravention, a 25% or more ownership or control interest, commits an offence or contravenes the law anywhere in the world (whether convicted or not);
 - (ii) any individual with control of Bidder ceases to be of good character, becomes aware of any other matter that reflects adversely on their fitness to own the Shares and Partly Paid Shares, or becomes an individual of the kind referred to in section 15 or 16 of the Immigration Act 2009;
 - (iii) Bidder ceases to be an overseas person;
 - (iv) Bidder disposes of the Shares or the Partly Paid Shares;
 - (v) Bidder, any individual with control of Bidder, or any person in which Bidder or any individual with control of Bidder hold, or had at the time of the event held, a 25% or more ownership or control interest, a 25% or more ownership or control interest, becomes bankrupt or insolvent, has an administrator, receiver liquidator, statutory manager, mortgagee's or chargee's agent appointed or becomes subject to any form of external administration; or

- (vi) Bidder's New Zealand service address changes;
- (c) the requirement that Bidder report in writing annually to the OIO detailing progress of its business plan during the financial year;
- (d) the requirement that Bidder must provide a written report within 20 business days on any matter relating to its compliance with:
 - (i) the representations and plans made or submitted in support of the application and notified by the OIO as having been taken into account when the consent was granted; or
 - (ii) the conditions of consent;
- (e) the requirement that the information provided by Bidder to the OIO or the relevant Minister or Ministers in connection with the application for the consent was correct at the time it was provided; and
- (f) the requirement that Bidder must comply with the representations and plans made or submitted in support of the application and notified by the OIO as having been taken into account when the consent was granted, unless compliance should reasonably be excused.

Schedule 7: Defined Terms and Interpretation

1. Defined terms

In this Agreement, unless the context requires otherwise:

Additional Amount has the meaning given in clause 18.3;

Associate has the meaning given in the Takeovers Code;

Authorisation means any permit, licence, consent, approval, registration, accreditation, certification or other authorisation given or issued by any Government Agency;

Bidder Assisted, in relation to a transaction, Competing Proposal, Potential Competing Proposal or Superior Proposal, means the transaction or proposal has been proposed, developed or implemented with the material advice, encouragement, assistance or other involvement of Bidder at any stage, where the Bidder's advice, encouragement, assistance or other involvement was a material cause of the transaction or proposal being proposed or was material to its development or implementation;

Bidder Directors means the directors on the Board representing the interests of Bidder being, for the avoidance of doubt and as at the date of this Agreement, Marco Argentieri, Rebecca DeLaet, Samuel Kellner and Alastair McGregor;

Bidder Group means Bidder and its Related Entities (but excluding members of the Target Group);

Bidder Indemnified Persons means each member of the Bidder Group and each of their respective directors, officers and employees;

Bidder Information means all information given by Bidder to Target for inclusion in the Scheme Booklet concerning Bidder, Bidder Nominee (if applicable), their Related Entities, business and interests and dealings in the Shares and the Partly Paid Shares;

Bidder Nominee has the meaning given to that term in clause 2.7(a);

Bidder Undertakings means the undertakings set out in Part 2 of Schedule 3;

Bidder Warranties means the statements set out in Part 1 of Schedule 3;

Board means the board of directors of Target;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Auckland, New Zealand and New York, NY;

Companies Act means the Companies Act 1993;

Competing Proposal means a proposal, offer, agreement, arrangement or transaction (including by way of takeover offer, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities or joint venture) which, if completed, would result in a Third Party (whether alone or together with its Associates):

- (a) directly or indirectly acquiring or being entitled to acquire a Relevant Interest or any other direct or indirect interest in more than 10% of the shares of Target or more than

10% of the shares in any other member or members of the Target Group that individually or collectively contribute 10% or more of the consolidated EBITDA of the Target Group or whose assets represent 10% or more of the total consolidated assets of the Target Group; or

- (b) directly or indirectly acquiring or being entitled to acquire the whole of the business or assets of the Target Group or any part of the business or assets of the Target Group that individually or collectively contributes 10% or more of the consolidated EBITDA of the Target Group or that represents 10% or more of the total consolidated assets of the Target Group; or
- (c) acquiring Control of Target or merging or amalgamating with Target or any other member or members of the Target Group that individually or collectively contribute 10% or more of the consolidated EBITDA of the Target Group or whose assets represent 10% or more of the total consolidated assets of the Target Group.

For the purposes of the definition of Competing Proposal, paragraphs (a), (b) and (c) above include any agreement (within the meaning of section 6 of the FMCA) whereby such a transaction is effected through a series of linked or related transactions which if conducted as a single transaction would constitute a Competing Proposal within the meaning of either of paragraphs (a), (b) or (c);

Conditions mean the conditions precedent set out in the first column of the table in clause 3.1;

Consideration means the following cash consideration in respect of each Scheme Share held by a Scheme Shareholder:

- (a) for each Share, NZ\$0.62;
- (b) for each Partly Paid Share with an issue date of 24 February 2017, a cash consideration to be agreed in accordance with clause 14; and
- (c) for each Partly Paid Share, interests in which have been forfeited by relevant ESOP participants under the terms of the ESOP, a cash consideration to be agreed in accordance with clause 14 (it being acknowledged that the Partly Paid Shares with an issue date of 30 September 2014 or 30 September 2015 will either be fully paid up by the participant in order to become Shares or forfeited by the Record Date, in each case in accordance with the ESOP);

Control means, in relation to a person (the “relevant person”) and one or more other persons, where those one or more persons, directly or indirectly, whether by the legal or beneficial ownership of shares, securities or other equity, the possession of voting power, by contract, trust, or otherwise:

- (a) has the power to appoint or remove the majority of the members of the governing body of the relevant person;
- (b) controls, or has the power to control, the affairs or policies of the relevant person; or
- (c) is in a position to derive more than 50% of the economic benefit of the existence or activities of the relevant person;

Court means the High Court of New Zealand, Auckland Registry;

Deed Poll means the deed poll to be entered into by Bidder and Bidder Nominee (if applicable) in favour of the Scheme Shareholders in the form attached as Annex B or in such other form as the parties agree in writing;

Designated Persons means Andrew Jefferies, Catherine McKelvey and Paris Bree;

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and any penalty, fine, interest or additional charge payable in relation to any such duty or charge;

EBITDA means earnings before interest, tax, depreciation and amortisation;

Effective means, when used in relation to the Scheme, the coming into effect under section 236(3) of the Companies Act of the order of the Court made under section 236(1) of the Companies Act in relation to the Scheme and all of the conditions to the implementation of the Scheme having been satisfied or waived in accordance with this Agreement and the Scheme;

Encumbrance means any security interest (within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind (other than any reservation of title by suppliers in the ordinary course of business), and any agreement to create any of the foregoing;

End Date means, subject to extension under clause 7.4(b)(iii) and clause 7.4(b)(iv):

- (a) the date that is six months from the date of this Agreement provided that if the OIO Condition has not been satisfied by the date that is six months from the date of this Agreement but a party (acting reasonably) considers that the OIO Condition is capable of satisfaction by the date that is nine months from the date of this Agreement, then either party may elect, by providing written notice to the other, to extend the date for satisfaction of the Conditions to the date that is nine months from the date of this Agreement; or
- (b) any other date agreed in writing by the parties;

ESOP means Target's employee share ownership plan the terms of which are recorded in a deed poll by the Target dated 3 May 2013;

Excluded Event means any event or change in circumstances:

- (a) resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under this Agreement other than Target's:
 - (i) obligations under clause 9.2(a) and 9.2(c); and
 - (ii) rights under clauses 9.2 and 9.3;
- (b) fairly disclosed to NZX during the period commencing on 1 January 2017 and ending on the date immediately prior to the date of this Agreement;
- (c) arising from an action, omission, event, change, matter, or circumstance previously approved in writing by Bidder, including any consequences reasonably foreseeable as a result of such matters;
- (d) being or resulting from the payment of costs and expenses (including fees payable to external advisers, including the Independent Adviser) properly incurred by Target in connection with the negotiation, development and implementation of the Scheme, including all actions taken under or in connection with this Agreement (with "properly

incurred” bearing the same meaning as in the Takeovers Act 1993, with all necessary changes and adaptations to the circumstances of a scheme of arrangement); or

- (e) resulting from any change in generally accepted accounting principles or any widespread change in interpretation of the same;

Excluded Shares means any Shares nominated in writing by Bidder to Target not less than two Business Days prior to the Record Date which are held or controlled by Bidder or any of its Associates at 5.00pm on the Record Date;

Exclusivity Period means the period starting on the date of this Agreement and ending on the first to occur of:

- (a) termination of this Agreement;
- (b) the Implementation Date; and
- (c) the End Date;

Fairness Opinion means the certification of the Independent Adviser that, in its opinion, the Consideration and terms of the Scheme are fair and reasonable:

- (a) as between each class of Partly Paid Shares and the Shares; and
- (b) as among the different classes of Partly Paid Shares;

Final Orders means orders on application of Target, that the Scheme shall be binding on Target, Bidder, Bidder Nominee (if applicable), Shareholders and such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act;

Final Orders Date means the day on which the Final Orders are sealed by the Court;

First Court Date means the first date on which the application to the Court for the Initial Orders in accordance with section 236(2) of the Companies Act is heard or determined;

FMCA means the Financial Markets Conduct Act 2013;

Government Agency means any government, any department, officer or minister of any government, and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity and any court;

GST means goods and services tax charged or levied under the GST Act, and includes any GST Default Amounts;

GST Act means the Goods and Services Tax Act 1985 (as amended);

GST Default Amounts means any penalties, additional tax or interest payable in respect of goods and services tax;

GST Exclusive Consideration has the meaning given in clause 18.2;

Implementation Date means the day on which the Scheme is to be implemented, being 5 Business Days after the Record Date, or such other date agreed between the parties in writing;

Independent Adviser means the person appointed by Target as independent adviser to prepare the Independent Adviser's Report and approved by the Takeovers Panel;

Independent Adviser's Report means the Independent Adviser's report prepared by the Independent Adviser in relation to the Scheme as amended or updated from time to time and including any supplementary or replacement report, stating its opinion on the merits of the Transaction;

Independent Directors means the members of the Board who do not have a disqualifying relationship (as that term is defined in the NZX Listing Rules) in relation to Target's assessment of the Scheme;

Independent Response Committee or **IRC** means the committee of the Board comprising the Independent Directors being, at the date of this Agreement, Roderick Ritchie and Rosalind Archer;

Initial Orders means, on application by Target, orders by the Court for the purposes of section 236(2) of the Companies Act;

Insolvency Event means, in relation to a person, the occurrence of any of the following:

- (a) the person ceases or threatens to cease to carry on all or substantially all of its business or operations;
- (b) an application or an order is made, or a resolution is passed or proposed, for the person's dissolution;
- (c) the person suspends or threatens to suspend payment of its debts as and when they fall due;
- (d) the person is or becomes unable to pay its debts when due (as defined in the Companies Act), or enters into dealings with any of its creditors with a view to avoiding or in expectation of insolvency, or makes a general assignment or an arrangement or composition with or for the benefit of any of its creditors, or stops or threatens to stop payments generally;
- (e) the person goes into receivership or has a receiver, receiver and manager, official manager, trustee or other similar officer appointed in respect of all or any of its property;
- (f) a distress, attachment or other execution is levied or enforced upon or commenced against any of its assets;
- (g) any resolution is passed, or any proceeding is commenced, for the dissolution of that person;
- (h) the making or an order by a court for the winding up of that person;
- (i) the person takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts referred to in this definition; and
- (j) anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurs with respect to it, including under any applicable foreign law;

Losses means all losses, damages, costs, expenses, charges and other liabilities provided however that the parties shall not be liable for any indirect loss, economic loss, loss of opportunity or loss of profit whatsoever and however arising, including:

- (a) consequential loss or damage; or
- (b) loss of use, production, revenue, income, profits, business and savings or business interruption (whether or not the indirect loss or damage was foreseeable);

Material Adverse Change means any matter, event, condition or change in circumstances or thing which occurs or is announced, and which is not an Excluded Event, (each a **Specified Event**), or a related series of Specified Events, and which individually, or in aggregate, has or is reasonably likely to reduce the value of the consolidated net assets of the Target Group by at least \$5 million against what it would have reasonably been expected to have been but for the Specified Event or related series of Specified Events, provided that such Specified Event, or related series of Specified Events, is not the result of:

- (a) general changes to the markets in which Target operates or trades which do not disproportionately adversely affect the Target Group; or
- (b) any change in interest rates, general economic, financial, regulatory, legal or political conditions or requirements generally affecting businesses in the industry in which the Target Group operates or the markets in which the Target Group operates or trades which do not disproportionately adversely affect the business of the Target Group compared with other businesses which operate in that industry;

Nomination and Remuneration Committee means the Nomination and Remuneration Committee of the Board;

NZX means NZX Limited and, where the context requires, the main board financial market that it operates;

NZX Listing Rules means the NZX Main Board/Debt Market Listing Rules;

OIO means the Overseas Investment Office;

OIO Application has the meaning given to it in clause 3.4(a);

OIO Condition means the condition set out in clause 3.1(a);

Partly Paid Share means a partly paid ordinary share on issue in the capital of Target;

Permitted Encumbrances means in respect of the Target Group's assets, but not the Scheme Shares:

- (a) a reservation of ownership or other purchase money security interest entered into in respect of supplies to a member of the Target Group in the ordinary course of business;
- (b) a right or set-off or combination of arising by operation of law or practice over money deposited with a bank or financial institution in the ordinary course of business;
- (c) a security interest arising by operation of law and in the ordinary course of business provided that the debt it secures is paid when due or contested in good faith by appropriate proceedings; and

- (d) a security interest arising under section 17(1)(b) of the Personal Property Securities Act 1999 that does not secure payment or performance of an obligation;

Potential Competing Proposal means any offer, proposal or expression of interest (whether or not conditional, complete or binding) which is not, but could reasonably be expected to become, a Competing Proposal;

PPSR means the Personal Property Securities Register established under section 139 of the Personal Property Securities Act 1999;

Prescribed Occurrence means the occurrence of any of the events listed in Schedule 1 other than an event agreed to by Bidder in writing. For the purposes of this definition, Bidder will be deemed to have agreed in writing to:

- (a) any event which is approved by the Board if directors representing the interests of Bidder constituted a majority of the directors who voted in favour of that action; and
- (b) any event which is approved by Shareholders if any Shares held or controlled by Bidder are voted in favour of the relevant resolution or not voted on the relevant resolution;

Recommendation has the meaning given to that term in clause 8.1(a);

Record Date means 5.00 pm on the date which is 5 Business Days after the later of:

- (a) the Final Orders Date; and
- (b) the date on which the OIO Condition is satisfied,

or such other date agreed between the parties in writing;

Reference Rate means in relation to interest payable on any payment due under this Agreement, the mid or "FRA" rate for 90 day bank accepted bills (expressed as a percentage) as quoted on Reuters page BKBM (or any successor page) at or about 10.45 am on the first Business Day of the period in respect of which such rate of interest is to be calculated, and thereafter on each succeeding Business Day of the period;

Register means the register of Shares maintained by Computershare Investor Services Limited on behalf of Target;

Registrar has the meaning given in the Companies Act;

Reimbursement Fee means NZ\$750,000 plus GST, if any;

Related Entity means:

- (a) in respect of Bidder, an entity that:
 - (i) Controls Bidder; or
 - (ii) is under the Control of Bidder;
- (b) in respect of Target, each entity that is under the Control of Target;

Relevant Interest has the meaning given in section 235(1) of the FMCA;

Representative means in relation to a person:

- (a) any director, officer or employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, that person; and
- (b) when used in clauses 2.4, 12.1, 12.2, 12.4, 12.6 and 16.2 only, also includes any Related Entity and any director, officer or employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, any Related Entity;

Reverse Reimbursement Fee means NZ\$750,000 plus GST, if any;

Scheme means a scheme of arrangement under Part 15 of the Companies Act under which all of the Shares and the Partly Paid Shares held by Scheme Shareholders will be transferred to Bidder or Bidder Nominee (as applicable) and the Scheme Shareholders will be entitled to receive the Consideration, in the form attached as Annex A or in such other form as Target and Bidder agree in writing and the Court approves under section 236(1) of the Companies Act;

Scheme Booklet means the explanatory memorandum (including the notice of meeting and proxy form), the despatch of which is to be approved by the Court and which is to be sent to Shareholders in advance of the Scheme Meeting;

Scheme Meeting means the meeting of Shareholders ordered by the Court to be convened pursuant to the Initial Orders in respect of the Scheme and includes any adjournment of that meeting;

Scheme Resolution means the resolution to be put to Shareholders at the Scheme Meeting to approve the Scheme;

Scheme Shareholder means a person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date;

Scheme Shares means all of the Shares and the Partly Paid Shares on issue at 5.00pm on the Record Date other than Excluded Shares;

Second Court Date means the first date on which an application made to the Court for the Final Orders is heard or determined, provided that if such hearing is adjourned, it means the first date on which the adjourned application is heard;

Share means a fully paid ordinary share in the capital of Target;

Shareholder means a person who is registered in the Register as the holder of one or more Shares from time to time;

Statement of Intention has the meaning given to that term in clause 8.1(c);

Superior Proposal means a written bona fide Competing Proposal received after the date of this Agreement that:

- (a) does not result from a breach by Target of any of its obligations under clause 12, or from any act by a member of the Target Group or its Representatives which, if done by Target, would constitute a breach of clause 12 by Target; and

- (b) the Board (bearing the extended meaning set out in clause 12.9) determines, acting in good faith and after having received written advice from its external financial and legal advisers:
- (i) is reasonably capable of being completed, taking into account all aspects of the Competing Proposal (including its conditions, the identity, reputation and financial condition of the person making such proposal, and legal, regulatory and financial matters);
 - (ii) is more favourable to Shareholders than the Scheme, taking into account all the terms and conditions of the Competing Proposal and the Scheme; and
 - (iii) failing to attempt to advance such Competing Proposal would constitute a breach of the fiduciary or statutory duties, as a director of Target, of any member of the Board;

provided that, a Competing Proposal will not constitute a Superior Proposal if its terms and conditions are substantively similar to any proposal that Target received, negotiated or was otherwise involved with at any time before the date of this Agreement;

Supplier has the meaning given in clause 18.3;

Surviving Clauses means clause 1 (interpretation), clause 13 (Reimbursement Fee), clause 15.10 (effect of termination), clause 16 (announcements), clause 17 (payments), clause 18 (GST), clause 19 (notices), clause 20 (general) (other than clause 20.7 (further assurance)) and clause 21 (governing law and jurisdiction);

Takeovers Code means the takeovers code approved in the Takeovers Code Approval Order 2000 (SR 2000/210) as amended, including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993;

Takeovers Panel means the Takeovers Panel established by section 5(1) of the Takeovers Act 1993;

Target Director means each director of Target from time to time;

Target Group means Target and its Related Entities;

Target Indemnified Persons means each member of the Target Group and each of their respective directors, officers and employees other than the Bidder Directors;

Target Information means all information included in the Scheme Booklet other than the Bidder Information and the Independent Adviser's Report;

Target Undertakings means the undertakings set out in Part 2 of Schedule 2;

Target Warranties means the statements set out in Part 1 of Schedule 2;

Tax means a tax, levy, charge, impost, fee, deduction, withholding or Duty of any nature, including stamp and transaction Duty or any goods and services tax, value added tax or consumption tax, which is imposed or collected by a Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts;

Third Party means a person other than a member of the Bidder Group;

Timetable means the timetable set out in Schedule 5, or such other timetable as Target and Bidder agree in writing; and

Transaction means the acquisition by Bidder or a Bidder Nominee of all the Scheme Shares through implementation of the Scheme in accordance with the terms of this Agreement.

2. Target awareness

Where any Target Warranty or other provision of this Agreement (including clause 5.3(a)) is qualified by the expression so far as Target is aware or any similar expression, Target will be deemed to know or be aware of all matters or circumstances of which any Designated Person (or any person who replaces a Designated Person) is actually aware as at the date the statement is made or given or would have been aware as at that date had they made reasonable enquiries in the circumstances. For avoidance of doubt, and without limiting clause 11.1, none of the individuals referred to in this clause 1.2 has any personal liability in respect of the Target Warranties (except in the case of fraud).

3. Things required to be done other than on a Business Day

Unless otherwise indicated, if the day on which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

4. Other rules of interpretation

In this Agreement:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after execution of this Agreement;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after execution of this Agreement under that legislation, including (where applicable) that legislation as amended, extended or applied as described in clause 4(a)(i), or under any legislation which it re-enacts as described in clause 4(a)(ii);
- (b) a reference to the NZX Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (c) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (d) references to an individual or a natural person include his estate and personal representatives;
- (e) a reference to a clause, schedule or annex is a reference to a clause, schedule or annex of or to this Agreement (and the schedules and annexes form part of this Agreement);
- (f) subject to clause 20.2, references to a party to this Agreement include the successors or assigns (immediate or otherwise) of that party;
- (g) a reference to any instrument or document includes any variation or replacement of it;

- (h) unless otherwise indicated, a reference to any time is, a reference to that time in New Zealand;
- (i) a reference to \$, NZ\$ or dollars is to New Zealand currency;
- (j) singular words include the plural and vice versa;
- (k) a word of any gender includes the corresponding words of any other gender;
- (l) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (m) general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words;
- (n) nothing is to be construed adversely to a party just because that party put forward this Agreement or the relevant part of this Agreement;
- (o) the headings do not affect interpretation;
- (p) a reference to 'fairly disclosed' means disclosed in sufficient details such that the matter, information or circumstance (and its nature, scope and commercial and financial impact) might reasonably be expected to come to the knowledge of a reasonable bidder in the ordinary course.

5. Consents and approvals

If the doing of any act, matter or thing under this Agreement is dependent on the consent or approval of a party or is within the discretion of a party, such consent or approval may be given or such discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion (unless this Agreement specifies otherwise).

Annexure A: Scheme Plan

SCHEME PLAN

for a **scheme of arrangement** under Part 15 of the Companies Act 1993

between

New Zealand Oil & Gas Limited a duly incorporated company having its registered office at Level 1, 36 Tennyson Street, Wellington, 6011, New Zealand (Company No. 37842) (**Target**)

and

Scheme Shareholders (as defined below)

and

[wholly-owned subsidiary of O.G. Oil & Gas Ltd] [(BidCo)] [Note: Only required if there is a Bidder Nominee. If there is no Bidder Nominee, then the references to BidCo in this draft will be removed]

and

O.G. Oil & Gas Singapore Pte. Ltd., a company incorporated in Singapore whose registered office is 1A International Business Park, #07-02, Singapore 609933 (Company No. 201722201W) (**OGOG**)

1. Conditions

The implementation of the Scheme is conditional in all respects on:

- (a) all of the Conditions having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by 9.00am on the Implementation Date;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms before 9.00am on the Implementation Date; and
- (c) the orders of the Court made under subsection 236(1) of the Companies Act approving this Scheme Plan coming into effect, pursuant to subsection 236(3) of the Companies Act, on or before the End Date.

2. Scheme Consideration into trust account

2.1 Obligation to pay into trust account

Subject to the Scheme Implementation Agreement not being terminated and the Scheme having become Unconditional (save for the Conditions set out in clause 3.1(d) to (f) (inclusive) of the Scheme Implementation Agreement), [BidCo OR OGOG] must, by no later than 5.00pm on the Business Day before the Implementation Date, deposit (or procure the deposit of) in immediately available cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to Scheme Shareholders in a New Zealand dollar denominated trust account operated by Computershare (**Funds**).

2.2 Details of trust account

- (a) Subject to clause 2.2(b), the trust account will be held and operated by Computershare on the basis that the Funds are held on trust for [BidCo OR OGOG] and to its order, such that only [BidCo OR OGOG] may direct how the Funds will be paid from the trust account.
- (b) Clause 2.2(a) is subject to a standing direction from [BidCo OR OGOG] to Target and Computershare to make payment of the Scheme Consideration to the Scheme Shareholders upon transfer of the Scheme Shares to [BidCo OR OGOG] under clause 3.1(a).
- (c) The details of the trust account will be provided to [BidCo OR OGOG] by Computershare not less than 6 Business Days before the Implementation Date.

2.3 Interest

Any interest earned on the amount deposited will be payable to [BidCo OR OGOG] by Computershare as directed by [BidCo OR OGOG].

2.4 Scheme not implemented

Should the implementation of the Scheme not occur by 5.00pm on the Implementation Date for any reason, Computershare will immediately repay such monies to [BidCo OR OGOG] to such New Zealand dollar denominated account(s) instructed to Computershare by [BidCo OR OGOG].

3. Implementation

- 3.1 Subject to the conditions set out in clause 1 being satisfied and the Scheme Consideration having been deposited in accordance with clause 2.1, commencing at 10.00am on the Implementation Date and in the following order:
 - (a) without any further act or formality, all the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to [BidCo OR OGOG] and Target must enter, or procure the entry of, the name of [BidCo OR OGOG] in the Register in respect of all of the Scheme Shares; and then
 - (b) in accordance with the instructions in clause 2.2(b) and subject to compliance in full with clauses 2.1 and 3.1(a), Target must instruct Computershare to pay or procure the payment from the trust account referred to in clause 2 of the Scheme Consideration to each Scheme Shareholder based on the number and class of Scheme Shares held by such Scheme Shareholder as set out in the Register as at 5.00 pm on the Scheme Record Date.

4. Payment of the Scheme Consideration

4.1 Method of payment

The payment obligations of Target under clause 3.1(b) will be satisfied by:

- (a) where a Scheme Shareholder has, not less than 5 Business Days before the Scheme Record Date, made a valid election in accordance with the requirements of Computershare to receive payments from Target by electronic funds transfer to a bank account nominated by that Scheme Shareholder, paying the relevant amount by

electronic transfer in accordance with that election (unless Target in its absolute discretion elects to make the payment in accordance with clause 4.1(b)); or

- (b) otherwise dispatching, or procuring the dispatch of, a cheque for the relevant amount to the Scheme Shareholder by prepaid post to their Registered Address (as at 5.00 pm on the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.2).

4.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 4.1, the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme Plan will be made payable to the joint holders and sent to either, at the sole discretion of [BidCo OR OGOG], the holder whose name appears first in the Register as at 5.00 pm on the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme Plan, will be forwarded to either, at the sole discretion of Target, the holder whose name appears first in the Register as at 5.00 pm on the Scheme Record Date or to the joint holders.

4.3 Surplus in trust account

To the extent that, following satisfaction of the obligations under clause 4.1, there is a surplus in the trust account referred to in clause 2, that surplus (less the aggregate amount of any cheques dispatched under clause 4.1(b) which remain unpaid, any amount retained under clause 4.5(b) and bank fees and other third party charges directly in connection with the account) shall be immediately paid to [BidCo OR OGOG].

4.4 Unclaimed monies

- (a) Target may cancel a cheque issued under clause 4.1(b) if the cheque is returned to Target or has not been presented for payment within six months after the Implementation Date.
- (b) During the period of six months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target, Target must reissue, or procure the reissue of, a cheque that was previously cancelled under clause 4.4(a).

4.5 Orders of a court or Government Authority

Notwithstanding any other provision of this Scheme Plan, if written notice is given to Target prior to the Scheme Record Date of an order or direction made by a court of competent jurisdiction or a Government Authority that:

- (a) requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Target in accordance with clause 3.1(b), Target will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents the consideration from being provided to any particular Scheme Shareholder in accordance with clause 3.1(b), or the payment of such consideration is otherwise prohibited by applicable law, the payment (equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration) will be retained in the trust account referred to in clause 2 until such time as provision of the consideration

to the Scheme Shareholder in accordance with clause 3.1(b) is permitted by that order or direction or otherwise by law. Any amount so retained under this clause 4.5(b) may be held by Target or any of Target's related companies, provided that [BidCo OR OGOG] procures that such company complies with the obligations under this clause to pay such consideration to any applicable Scheme Shareholders,

and such provision or retention (as the case may be) will constitute the full discharge of [BidCo OR OGOG]'s and Target's obligations under clause 3.1(b) with respect to the amount so provided or retained.

5. Dealing in Target Shares

5.1 Recognition of dealings

To establish the identity of the Scheme Shareholders:

- (a) dealings in Target Shares will only be recognised if:
 - (i) in the case of dealings of the type to be effected through NZX's clearing and settlement system, the transferee is registered in the Register as the holder of the relevant Target Shares on or before 5.00 pm on the Scheme Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received on or before 5.00 pm on the Scheme Record Date at the place where the Register is kept; and
- (b) Target must not accept for registration, nor recognise for any purpose (except a transfer to [BidCo OR OGOG] pursuant to this Scheme Plan and any subsequent transfer by [BidCo OR OGOG] or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable forms.

5.2 Register

- (a) Target must register registrable transmission applications or transfers of Target Shares in accordance with clause 5.1(a)(ii) on or before 5.00 pm on the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 5.2(a) requires Target to register a transfer that:
 - (i) relates to a transfer of Target Shares on which Target has a lien; or
 - (ii) would result in a Target Shareholder holding a parcel of Target Shares that is less than a 'minimum holding' (for the purposes of this clause 5.2(a) 'minimum holding' has the meaning given in the NZX Listing Rules).
- (b) A holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares, or any interest in them, on or after 5.00 pm on the Scheme Record Date otherwise than pursuant to this Scheme Plan, and any attempt to do so will have no effect and Target and [BidCo OR OGOG] shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Target must maintain the Register in accordance with the provisions of this clause 5.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Scheme Consideration.

- (d) From 5.00 pm on the Scheme Record Date, each entry that is current on the Register (other than entries on the Register in respect of OGOG [or BidCo]), all statements of holding for Target Shares (other than statements in favour of [OGOG [or BidCo]]) and all other documents of title in respect of the Target Shares (other than documents in favour of [BidCo OR OGOG]) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of Target Shares relating to that entry.
- (e) As soon as possible after 5.00 pm on the Scheme Record Date and in any event by 5.00 pm on the first Business Day after the Scheme Record Date, Target must make available to [BidCo OR OGOG] in the form [BidCo OR OGOG] reasonably requires, details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Register as at 5.00 pm on the Scheme Record Date.
- (f) From 5.00 pm on the Scheme Record Date, no holder of Partly Paid Shares (or any person claiming through that holder) may pay any amount of the issue price of the relevant Partly Paid Share which remains unpaid at 5.00 pm on the Scheme Record Date, and any such payment will not be accepted by Target.

6. General provisions

6.1 Amendments to Scheme Consideration

[BidCo OR OGOG] may increase the Scheme Consideration for any class of the Scheme Shares by written notice at any time to Target prior to the Scheme Meeting, provided that the Scheme Implementation Agreement has not been terminated in accordance with its terms prior to the receipt of such notice by Target.

6.2 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme Plan to [BidCo OR OGOG] will, at the time of transfer of them to [BidCo OR OGOG], vest in [BidCo OR OGOG] free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Each Scheme Shareholder is taken to have warranted to [BidCo OR OGOG] on the Implementation Date that:
 - (i) all of their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme Plan will, at the time of transfer, be:
 - (A) free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (B) in the case of Fully Paid Shares only, fully paid; and
 - (C) in the case of Partly Paid Shares only, paid up to one cent per share; and
 - (ii) they have full power and capacity to transfer their Target Shares to [BidCo OR OGOG] together with any rights and entitlements attaching to those shares.

6.3 Authority given to Target

Each Scheme Shareholder, without the need for any further act:

(a) on the date which is the later of:

- (i) the Final Orders Date; and
- (ii) the date on which Target announces to NZX that the OIO Condition has been satisfied,

irrevocably appoints Target and each of its directors (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against OGOG [and BidCo] (but without limiting each Scheme Shareholder's right to itself enforce the Deed Poll); and

(b) on the Implementation Date, irrevocably appoints Target and each of its directors (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to the Scheme and the transactions contemplated by it,

and Target, for itself and on behalf of each of its directors, accepts each such appointment. Each such attorney and agent, may sub-delegate its functions, authorities or powers under this clause 6.3 to one or more of Target's officers.

6.4 Binding effect of Scheme

(a) The Scheme binds:

- (i) Target;
- (ii) OGOG;
- (iii) [BidCo;] and
- (iv) all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on the Scheme, did not vote at the Scheme Meeting, or voted against the Scheme at the Scheme Meeting).

(b) In the event of any inconsistency, this Scheme Plan overrides the constitution of Target.

6.5 End Date

The Scheme will become void and be of no further force or effect if it does not become Unconditional on or before the date 10 Business Days after the End Date (other than any provision of the Scheme or this Scheme Plan relating to the repayment to [BidCo OR OGOG] of any Funds deposited in accordance with clause 2 and the interest thereon (less bank fees and other third party charges directly in connection with the account)).

6.6 Target obligations

To the extent that any provision of the Scheme or this Scheme Plan imposes any obligation on Target that continues or arises after the implementation of the Scheme, such obligation may instead be performed by any successor or related company of Target, in which case the obligation will be satisfied as if performed by Target.

6.7 [Guarantee]

[Note: This clause 6.7 is only required if there is a Bidder Nominee]

- (a) [OGOG guarantees, as primary obligor and not merely as surety, the due and punctual performance by BidCo of all its obligations under this Scheme Plan.
- (b) OGOG is not to be discharged, nor are OGOG's obligations to be affected, by any matter or thing which, but for this clause 6.7(b), would or might have discharged OGOG or affected its obligations, including:
 - (i) the giving of time, credit or other indulgence or concession to BidCo, OGOG or any other person; or
 - (ii) anything done, or omitted to be done, by a Scheme Shareholder or Target in the exercise or non-exercise of its right and powers; or
 - (iii) BidCo or OGOG or any other person being incompetent to be bound by this Scheme Plan or failing to be legally bound in whole or in part by it or the validity, regularity and enforceability of any provision of this Scheme Plan; or
 - (iv) any release, discharge, compromise, or other arrangement given to or made with BidCo, OGOG or any other person; or
 - (v) the dissolution of BidCo, any change in the status, function, control or ownership of BidCo, or any consolidation, merger or conveyance of BidCo; or
 - (vi) any other circumstances which might otherwise constitute a legal or equitable discharge of or defence to a surety and OGOG remains liable irrespective of whether any present or other obligations would be enforceable against BidCo,

it being the intention of the parties that the guarantee and obligations of OGOG are to be absolute and unconditional in all circumstances, and neither the Scheme Shareholders nor Target are under any liability to OGOG in respect of the items listed in this clause 6.7(b) even though OGOG's rights in subrogation may be prejudiced as a result.

- (c) If any payment made by or on behalf of BidCo to Target or Scheme Shareholders is avoided by law, that payment is not to be deemed to have discharged the liability of BidCo or OGOG in respect of it.
- (d) The rights of Target and Scheme Shareholders under this clause 6.7 are cumulative and not exclusive of any rights provided by law and are to remain in full force until the discharge by BidCo of all of its obligations under this Scheme Plan.]

6.8 Governing law

- (a) This Scheme Plan and any non-contractual obligations arising out of or in connection with it is governed by the law applying in New Zealand.
- (b) The courts having jurisdiction in New Zealand have exclusive jurisdiction to settle any dispute arising out of or in connection with this Scheme Plan (including a dispute relating to any non-contractual obligations arising out of or in connection with this Scheme Plan) and the parties irrevocably submit to the exclusive jurisdiction of the courts having jurisdiction in New Zealand.

6.9 No liability when acting in good faith

Each Scheme Shareholder agrees that none of the directors, officers or employees of Target [, BidCo] or OGOG, will be liable for anything done or omitted to be done in the performance of the Scheme in good faith.

7. Definitions and interpretation

7.1 Definitions

In this Scheme Plan:

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Auckland and New York, NY;

Companies Act means the Companies Act 1993;

Computershare means Computershare Investor Services Limited;

Conditions means:

- (a) the conditions set out in clause 3.1 of the Scheme Implementation Agreement; and
- (b) such other conditions made or required by the Court under section 236(1) or section 237 of the Companies Act and approved in writing by Target and OGOG in accordance with clause 3.2 of the Scheme Implementation Agreement;

Court means the High Court of New Zealand, Auckland Registry;

Deed Poll means the deed poll to be entered into by [BidCo and] OGOG in favour of the Scheme Shareholders;

End Date means:

- (a) the date that is six months from the date of the Scheme Implementation Agreement or, if extended by the Target or OGOG in accordance with paragraph (a) of the definition of “End Date” in the Scheme Implementation Agreement, the date that is nine months from the date of the Scheme Implementation Agreement; or
- (b) any other date agreed in writing by OGOG and Target;

Excluded Shares means any Target Shares nominated in writing by OGOG to Target not less than two Business Days prior to the Scheme Record Date which are held or controlled by OGOG or any of its associates (as that term is defined in the Takeovers Code) at 5.00pm on the Scheme Record Date;

Final Orders Date means the date on which final orders of the Court made under section 236(1) (and section 237, if applicable) of the Companies Act are granted;

Fully Paid Share means a fully paid ordinary share on issue in the capital of Target;

Government Authority means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity and any court;

Implementation Date means the day on which the Scheme is to be implemented, being the date five Business Days after the Scheme Record Date, or such other date as OGOG and Target agree in writing;

NZX means NZX Limited or the main board financial market that it operates, as the context requires;

NZX Listing Rules means the listing rules made by NZX from time to time which apply to issuers listed on the main board financial market that NZX operates and which apply to Target at the relevant time;

OIO Condition means the Condition set out in clause 3.1(a) of the Scheme Implementation Agreement;

Partly Paid Share means a partly paid ordinary share on issue in the capital of Target;

Register means the register of Target Shares maintained by Computershare on behalf of Target;

Registered Address means, in relation to a Target Shareholder, the address shown in the Register as at 5.00 pm on the Scheme Record Date;

Scheme means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under Part 15 of the Companies Act and approved by OGOG and Target in writing;

Scheme Consideration means the following cash consideration in respect of each Target Share held by a Scheme Shareholder as at 5:00 pm on the Scheme Record Date:

- (a) for each Fully Paid Share, NZ\$0.62;
- (b) for each Partly Paid Share with an issue date of 30 May 2013, 10 September 2013 or 15 November 2013, NZ\$[●];
- (c) for each Partly Paid Share with an issue date of 30 September 2014 or 30 September 2015, NZ\$[●]; or
- (d) for each Partly Paid Share with an issue date of 24 February 2017, NZ\$[●];

Scheme Implementation Agreement means the scheme implementation agreement dated 9 July 2019 between OGOG and Target;

Scheme Meeting means the special meeting of Target Shareholders ordered by the Court to be convened pursuant to section 236(2)(b) of the Companies Act in respect of the Scheme and including any meeting convened following any adjournment or postponement of that meeting;

Scheme Record Date means the date which is 5 Business Days after the later of:

- (e) the Final Orders Date; and
- (f) the date on which the OIO Condition is satisfied,

or such other date agreed between OGOG and Target in writing;

Scheme Shareholder means a person who is registered in the Register as the holder of one or more Scheme Shares as at 5.00 pm on the Scheme Record Date;

Scheme Shares means all of the Target Shares on issue as at 5:00pm on the Scheme Record Date, other than any Excluded Shares;

Target Shareholder means a person who is registered in the Register as the holder of one or more Target Shares from time to time;

Target Shares means the Fully Paid Shares and the Partly Paid Shares; and

Unconditional means the coming into effect pursuant to section 236(3) of the Companies Act of the order of the Court made under section 236(1) of the Companies Act in relation to the Scheme and the satisfaction or waiver (as the case may be) of all conditions of the Scheme.

7.2 Interpretation

In this Scheme Plan:

- (a) headings are for convenience only and do not affect the interpretation of this Scheme Plan;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Authority, as well as an individual;
- (e) a reference to a clause, is a reference to a clause of this Scheme Plan;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Government Authority with legal power to do so);
- (g) a reference to a document (including this Scheme Plan) includes all amendments or supplements to, or replacements or novations of, that document;
- (h) the word includes in any form is not a word of limitation;
- (i) a reference to \$, NZ\$ or dollar is to New Zealand currency, unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Auckland, New Zealand;
- (k) a reference to a party to a document includes that party's successors and permitted assignees; and
- (l) no provision of this Scheme Plan will be construed adversely to a party because that party was responsible for the preparation of this Scheme Plan or that provision.

7.3 Business Day

Where the day on, or by which, any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day, unless otherwise indicated.

Annexure B: Deed Poll

Deed Poll

relating to

a scheme of arrangement pursuant to Part 15 of the Companies Act 1993 involving New Zealand Oil & Gas Limited

[wholly-owned subsidiary of O.G. Oil & Gas Ltd]

[BidCo]

[Note: Only required if there is a Bidder Nominee.]

and

O.G. Oil & Gas (Singapore) Pte. Ltd.,

OGOG

and

**Each registered holder of Scheme Shares as at 5.00pm on the
Scheme Record Date**

Scheme Shareholders

2019

BELL GULLY

AUCKLAND VERO CENTRE, 48 SHORTLAND STREET
PO BOX 4199, AUCKLAND 1140, DX CP20509, NEW ZEALAND
TEL 64 9 916 8800 FAX 64 9 916 8801

This **Deed Poll** is made on 2019

- between** (1) [wholly-owned subsidiary of O.G. Oil & Gas Ltd] [(**BidCo**)] [**Note: Only required if there is a Bidder Nominee. If there is no Bidder Nominee, then the references to BidCo in this draft will be removed**]
- and** (2) **O.G. Oil & Gas (Singapore) Pte. Ltd., (OGOG)**
- and** (3) **Each registered holder of Scheme Shares as at 5.00pm on the Scheme Record Date (Scheme Shareholders)**

Introduction

- A. New Zealand Oil & Gas Limited (**Target**) and OGOG are parties to the Scheme Implementation Agreement.
- B. Target has agreed to propose a scheme of arrangement between Target, [BidCo,] OGOG and the Scheme Shareholders, the effect of which will be that all Scheme Shares will be transferred to [BidCo OR OGOG] and [BidCo OR OGOG] will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders.
- C. [BidCo OR OGOG] is entering into this Deed Poll for the purpose of undertaking in favour of Scheme Shareholders to pay the Scheme Consideration to Scheme Shareholders in accordance with the terms of the Scheme Plan.
- D. [OGOG is entering into this Deed Poll for the purposes of undertaking in favour of Scheme Shareholders to guarantee BidCo's obligation to pay the Scheme Consideration to the Scheme Shareholders.] [**Note: Only required if there is a Bidder Nominee**]

It is agreed

1. Defined terms and interpretation

1.1 Defined terms

In this Deed, unless the context requires otherwise:

Final Orders means orders under section 236(1) (and section 237, if applicable) of the Companies Act in respect of the Scheme;

Scheme Implementation Agreement means the scheme implementation agreement between Target and OGOG, dated 9 July 2019 whereby Target has agreed to propose a scheme of arrangement;

Scheme Plan means the scheme plan attached as Annexure A to the Scheme Implementation Agreement, subject to any alterations or conditions approved by OGOG and Target in writing and which are disclosed to the Court prior to the Court making the Final Orders; and

words defined in the Scheme Plan which are not separately defined in this Deed Poll have the same meaning when used in this Deed Poll.

1.2 Interpretation

Clauses 7.2 and 7.3 of the Scheme Plan apply to the interpretation of this Deed Poll, except that references to “this Scheme Plan” are to be read as reference to “this Deed Poll”.

2. Nature of this Deed Poll

2.1 Third party rights and appointment of attorney

[BidCo and] OGOG [each] acknowledge that:

- (a) this Deed Poll is intended to confer a benefit upon, and therefore be relied upon and enforced by, any Scheme Shareholder in accordance with its terms under Part 2, Subpart 1 of the Contract and Commercial Law Act 2017 (but not otherwise), even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme Plan each Scheme Shareholder appoints Target and each of its directors (jointly and each of them severally) as its agent and attorney to enforce this Deed Poll against [BidCo and] OGOG on the date prescribed for such appointment in the Scheme Plan (but without limiting each Scheme Shareholder’s right to itself enforce this Deed Poll).

Notwithstanding the foregoing, this Deed Poll may be varied by the parties to it in accordance with clause 8.2 without the approval of any Scheme Shareholder.

2.2 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until either:

- (a) [BidCo and] OGOG have fully performed their obligations under it; or
- (b) it is terminated under clause 3.2.

3. Conditions

3.1 Conditions

This Deed Poll, and the obligations of [BidCo and] OGOG under it, are conditional in all respects upon the Scheme becoming Unconditional.

3.2 Termination

The obligations of [BidCo and] OGOG under this Deed Poll will automatically terminate, and the terms of this Deed Poll will be of no force or effect, if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms before the Scheme becomes Unconditional; or
- (b) the Scheme does not become Unconditional on or before the date 10 Business Days after the End Date,

unless OGOG and Target otherwise agree in writing.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then [BidCo and] OGOG are released from their obligations to further perform this Deed Poll.

4. Scheme Consideration

4.1 Subject to the Scheme Implementation Agreement not being terminated and the Scheme having become Unconditional (save for the Conditions set out in clause 3.1(d) to (f) (inclusive) of the Scheme Implementation Agreement), [BidCo OR OGOG] undertakes in favour of each Scheme Shareholder to deposit, or procure the deposit of, in immediately available cleared funds, by no later than 5.00pm on the Business Day before the Implementation Date an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders as set out in the Scheme Plan, such deposit to be made into the trust account to be held and dealt with in accordance with clauses 3 and 4 of the Scheme Plan.

4.2 Subject to clause 3, [BidCo OR OGOG] irrevocably acknowledges and agrees that, subject to compliance in full by Target with its obligations under clauses 4.1 and 4.2 of the Scheme Plan, the Scheme Consideration deposited into the trust account referred to in clause 4.1 must be applied to Scheme Shareholders in satisfaction of their respective entitlements to receive the Scheme Consideration under the Scheme in accordance with the Scheme Plan.

5. Warranties

[BidCo and] OGOG each warrants in favour of each Scheme Shareholder that:

- (a) it is a company or other body corporate validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into, and perform its obligations under, this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken, or will take, all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

6. [Guarantee]

[Note: This clause 6 is only required if there is a Bidder Nominee]

6.1 [Guarantee]

OGOG guarantees, as primary obligor and not merely as surety, the due and punctual performance by BidCo of all of its obligations under clauses 4 and 5.

6.2 No discharge

OGOG is not to be discharged, nor are OGOG's obligations to be affected, by any matter or thing which, but for this clause 6.2, would or might have discharged OGOG or affected its obligations, including:

- (a) the giving of time, credit or other indulgence or concession to BidCo, OGOG or any other person; or
- (b) anything done, or omitted to be done, by a Scheme Shareholder or Target in the exercise or non-exercise of its right and powers; or
- (c) BidCo or OGOG or any other person being incompetent to be bound by this Deed Poll or failing to be legally bound in whole or in part by it or the validity, regularity and enforceability of any provision of this Deed Poll; or
- (d) any release, discharge, compromise, or other arrangement given to or made with BidCo, OGOG or any other person; or
- (e) the dissolution of BidCo, any change in the status, function, control or ownership of BidCo, or any consolidation, merger or conveyance of BidCo; or
- (f) any other circumstances which might otherwise constitute a legal or equitable discharge of, or defence to, a surety and OGOG remains liable irrespective of whether any present or other obligations would be enforceable against BidCo,

it being the intention of the parties that the guarantee and obligations of OGOG are to be absolute and unconditional in all circumstances, and neither the Scheme Shareholders nor Target are under any liability to OGOG in respect of the items listed in this clause 6.2 even though OGOG's rights in subrogation may be prejudiced as a result.

6.3 Payments avoided by law

If any payment made by or on behalf of BidCo to Target or Scheme Shareholders is avoided by law, that payment is not to be deemed to have discharged the liability of BidCo or OGOG in respect of it.

6.4 Cumulative rights

The rights of Target and Scheme Shareholders under this clause 6 are cumulative and not exclusive of any rights provided by law and are to remain in full force until the discharge by BidCo of all of its obligations under this Deed Poll.]

7. Notices

7.1 Manner of giving notice

Any notice or other communication to be given under this Deed Poll must be in writing (which includes email) and may be delivered or sent by post or email to [BidCo and] OGOG at:

Address: 1A International Business Park, #07-02, Singapore 609933

Email: marco.argentieri@og-oilgas.com

For the attention of: Marco Argentieri

with copies(which do not constitute notice) to:

Address: Bell Gully, Level 22, Vero Centre, 48 Shortland Street,
PO Box 4199, Auckland

Email: james.cooney@bellgully.com / david.coull@bellgully.com

For the attention of: James Cooney / David Coull

or at any such other address or email address notified for this purpose to the other parties under this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

7.2 When notice given

In the absence of earlier receipt, any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery; or
- (b) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another); or
- (c) if sent by email, four business hours (being the hours between 9am and 5pm on a Business Day in the jurisdiction of the recipient) after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered (excluding an "out of office" automated message),

but if the notice or other communication would otherwise be taken to be received after 5.00 pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00 am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

7.3 Proof of service

In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail or that the e-mail was properly

addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's e-mail system, as the case may be.

8. General

8.1 Waiver

- (a) [BidCo and] OGOG may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right in respect of the Scheme unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) For the purposes of clause 8.1(a):
 - (i) conduct includes a delay in exercising a right;
 - (ii) right means any right arising under or in connection with this Deed Poll and includes the right to rely on this clause; and
 - (iii) waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.2 Variation

- (a) Subject to clauses 8.2(b) and 8.2(c), this Deed Poll may not be varied.
- (b) Before the date on which the Final Orders are made, this Deed Poll may be varied by agreement in writing between [BidCo,] OGOG and Target, in which event [BidCo and] OGOG will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.
- (c) If the Court orders that it is a condition of the Scheme that [BidCo and] OGOG enter into a new deed poll which has the effect of reversing any variation under clause 8.2(b), then, if [BidCo and] OGOG so agree, [BidCo and] OGOG must promptly enter into a further deed poll in favour of the Scheme Shareholders to give effect to the reversal of that variation.

8.3 Cumulative rights

The rights, powers and remedies of [BidCo,] OGOG and Scheme Shareholders under this Deed Poll are cumulative and do not exclude any other rights, power or remedies provided by law independently of this Deed Poll.

8.4 Assignment

The rights and obligations of [BidCo,] OGOG and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with at law or in equity. Any purported dealing in contravention of this clause 8.4 is invalid.

8.5 Further assurance

[Each of BidCo and] OGOG must, at its own expense, do all things reasonably required of it to give full force and effect to this Deed Poll and the transactions contemplated by it.

8.6 **Governing law and jurisdiction**

- (a) This Deed Poll and any non-contractual obligations arising out of or in connection with it is governed by the law applying in New Zealand.
- (b) The courts having jurisdiction in New Zealand have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed Poll (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed Poll) and [BidCo and] OGOG each irrevocably submit to the -exclusive jurisdiction of the courts having jurisdiction in New Zealand.

Execution

Executed as a deed poll.

[wholly-owned subsidiary of O.G. Oil & Gas Ltd] by

Director

Director

Print Name

Print Name

O.G. Oil & Gas (Singapore) Pte. Ltd., by

Director

Director

Print Name

Print Name