news release

NEW ZEALAND OIL & GAS

24 August 2021

## NEW ZEALAND OIL & GAS ANNUAL RESULT FOR YEAR TO 30 JUNE 2021

- Revenue stable at $36.0m ($37.3m last year)
- NPAT – Loss of NZ$43.3m impacted by $35.4m exploration expense and $6.7m FX loss
- Steady production performance
- Expected revenue and NPAT improvement from Amadeus.

New Zealand Oil & Gas today announces a net loss in line with expectations following steady production performance during the past year, increased exploration expenses associated with drilling offshore Western Australia, and foreign exchange impacts.

Revenue and NPAT are estimated to substantially increase in the current financial year as a result of the acquisition of a share of three producing assets in the Amadeus Basin in Australia's Northern Territory, and new production from Indonesia.

The net loss for the year attributable to New Zealand Oil & Gas shareholders was $36.4 million, or 21.7 cents per share. Net loss attributable to shareholders of New Zealand Oil & Gas $1.4 million last year. The Group result was a loss of $43.3m ($0.8m in the prior period).

Revenue for the year was steady at $36.0 million, compared to $37.3 million in the prior period.

New Zealand Oil & Gas subsidiary, Cue Energy Resources, contributed $24.1 million to revenue from its Maari, Sampang and Mahato assets ($25.2m last year), and recorded a $13.7 million loss ($1.2m profit in the prior period).

Revenue from production at the Kupe gas fields in Taranaki, New Zealand was stable at $11.9 million ($12.0m last year) for the New Zealand Oil & Gas 4 per cent share.

The Group expensed $35.4 million for the year for exploration. The main expenditure was the unsuccessful Ironbark well offshore Western Australia, as disclosed in the half year results announcement. Cue was also a participant in the unsuccessful WA exploration.

The Group had $70.8 million of cash on hand at balance date. $51.8 million was held by New Zealand Oil & Gas and $19.0 million was held by Cue. The higher New Zealand dollar compared to the US Dollar and AU Dollar contributed a foreign exchange loss of NZ$6.7 million.

Chief Executive Andrew Jefferies says the business has a net tangible asset backing of 60.8 cents per share, well above its current share price.

"We expect a considerable contribution from our new Amadeus assets following completion, expected in the next couple of months.

“Further revenue has also been added from Cue's Mahato interest in Indonesia.

“Our revenues have remained steady throughout a year of considerable disruption, this is because our portfolio is dominated by gas and connected to pipeline markets with long term contracts.

“A year ago I stated that we expected steady revenue from our producing assets, drilling was likely to reduce our cash balances, and we were ready to deploy our significant war chest if suitable assets became available in Australia or New Zealand. The year played out as expected, with a substantial drilling cost, steady production revenues and an excellent acquisition.

“I expect shareholders to see our activity bear fruit in the coming year's result."

No dividend will be paid this year.

During the year New Zealand Oil & Gas exited its exploration interests in Western Australia and New Zealand outside of its producing Taranaki blocks.