



NEW ZEALAND  
OIL & GAS



Quarter ended 31 March 2023

# New Zealand Oil & Gas Quarterly Report

ASX:NZO | NZX:NZO

## Quarter Highlights

- Production for the quarter up by 17% on the previous quarter
- Production receipts up NZ\$3.8 million on the same quarter last year
- Signing Farmout Agreement for L7 in Perth Basin
- Extension to the Kupe Gas Sales Agreement
- Rig commitment for drilling KS-9 at Kupe
- Joint Venture commits to five well re-completions at Mereenie

# Highlights



New Zealand Oil & Gas announced that it entered into a binding agreement with ASX-listed energy company, Triangle Energy [Global] Ltd (ASX:TEG), to acquire a 25% participating interest in Western Australian onshore Production License L7 and Exploration Permit EP 437. During the quarter, the Company signed a Farmout Agreement with Triangle Energy. The farm-in is contingent upon receipt of customary regulatory approvals. [See our release here.](#) The deal offers the Company a low-cost entry into the area and will involve the drilling of three exploration wells, set to begin in 2024.

At Kupe, New Zealand Oil & Gas signed a three-year extension to an existing Gas Sales Agreement with Genesis Energy. The extension runs from October 2023-2026. The Kupe Joint Venture has executed a drilling rig agreement with Valaris Limited for the 107 jack-up rig to drill the Kupe KS-9 infill well in the second half of 2023. This is subject to regulatory approvals and rig mobilisation timing. [See release here.](#)

In the Amadeus Basin, the Mereenie field is back online following planned maintenance completed in March and the Mereenie Joint Venture has committed to execute five re-completion wells, commencing early May. Palm Valley 12 (PV-12) continues to produce above expectations and at the end of the quarter was producing at approximately 9.2TJs per day.

Total production volumes for the quarter were 352,904 boe (averaging 3,965 boe/day), prior quarter was 301,956 boe (averaging 3,318 boe/day).

## Future Activities Timeline - NZOG & Cue

This table summarises timeline of expected enhancements including the proposed farm-in.\*

Asset	2023	2024	2025
Existing Permits	Kupe	Infill Well	
	Mereenie	5x Re-completes & 2x Infill Wells	Further Infill Well(s) Potential Stairway Appraisal
	Palm Valley & Dingo		Dingo Compressor
New Permits	Mahato	Ongoing Development Drilling BA-01 Exploration Well	
	L7		2 Exploration Wells
EP 437	Seismic Interpretation		1 Exploration Wells

\*Most activities subject to further approvals.

# Financial Performance

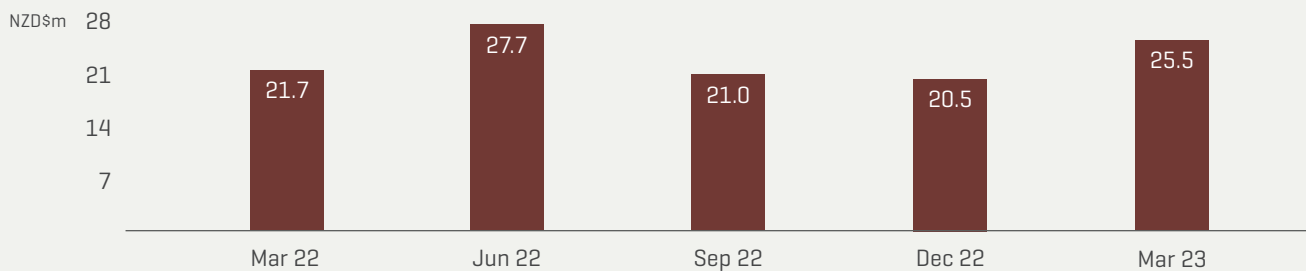
The cash balance of NZ\$35.1 million at 31 March 2023 is up NZ\$7.4 million on the prior quarter, this balance now includes a term deposit of NZ\$3.7 million which matured in the quarter. Cue contributes NZ\$19.7 million to the cash balance.

In the quarter, production receipts were NZ\$25.5 million, an increase of NZ\$3.8m on the same quarter last year, this is primarily due to the continuing strong performance of Mahato. Production receipts are up NZ\$5.0 million on the previous quarter, this is largely due to positive spot sales on Amadeus and Kupe oil liftings after the plant shutdown in the previous quarter.

During the quarter, NZ\$2.0 million of back costs were paid to Triangle Energy for the Perth Basin farm-in. Deferred consideration of NZ\$1.4 million (representing part of the agreed carry of the development work for the Amadeus assets) was paid. The remaining balance is NZ\$2.2 million at 31 March 2023.

The strengthening New Zealand dollar has led to a foreign exchange loss of NZ\$0.3 million in the quarter.

## Production Receipts By Quarter



# Production

FIELD		Total field this quarter [gross]	Our share previous quarter [net]	Our share December 2022 [net]
Kupe Taranaki, New Zealand	Oil Barrels	112,833	3,814	4,513
	Gas Petajoules	4.66	0.16	0.19
	LPG Tonnes	20,449	663	818
	Production receipts NZ\$m		2.2	3.6
Maari* Taranaki, New Zealand	Oil Barrels	363,315	18,698	18,166
	Production receipts AU\$m		3.5	3.2
Sampang* Java, Indonesia	Oil Barrels		517	435
	Gas Petajoules		0.27	0.27
	Production receipts AU\$m		3.0	2.6
Mahato* Sumatra, Indonesia	Oil Barrels		25,420	27,265
	Production receipts AU\$m		4.0	4.4
Mereenie** Amadeus, NT, Australia	Oil Barrels	31,793	7,681	7,948
	Gas Petajoules	2.37	0.56	0.59
Palm Valley** Amadeus, NT, Australia	Gas Petajoules	1.14	0.34	0.57
Dingo** Amadeus, NT, Australia	Gas Petajoules	0.28	0.14	0.14
Amadeus Basin	Production receipts AU\$m.		6.3	9.9
Total production receipts NZ\$m equivalent.			20.5	25.5

\* Interest held by Cue Energy Resources. New Zealand Oil & Gas has a 50.04% interest in Cue. Cue's full interest is shown.

\*\* The share indicated is for New Zealand Oil & Gas Group including Cue's full interest

# Australia

## Mereenie (OL4 & OL5)

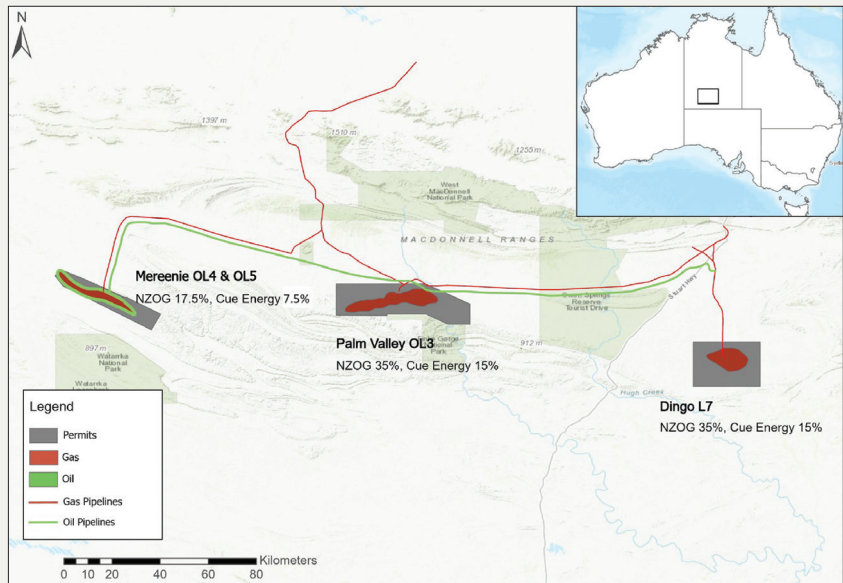
17.5% New Zealand Oil & Gas  
 7.5% Cue Energy Resources\*  
 50% Macquarie Mereenie  
 25% Central Petroleum (Operator)

## Palm Valley (OL3)

35% New Zealand Oil & Gas  
 15% Cue Energy Resources\*  
 50% Central Petroleum (Operator)

## Dingo (L7)

35% New Zealand Oil & Gas  
 15% Cue Energy Resources\*  
 50% Central Petroleum (Operator)

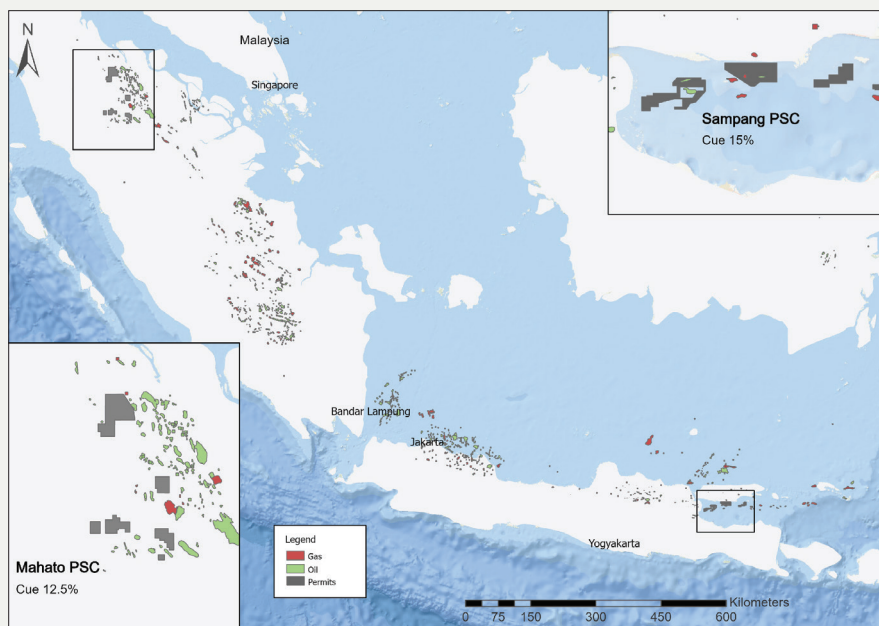


Gas production has increased this quarter after the temporary closure of the NGP, which has reopened, and full quarter production from the recently commissioned PV-12 well. Dingo production remained steady, with fluctuations in line with seasonal demand patterns.

Planning continues at Mereenie to further increase gas production. A program of up to five re-completion wells was approved by the Joint Venture (JV) during the quarter, with activity scheduled to commence in early May 2023. Planning continues for the drilling of two new development wells with notional timing in the second half of 2023, subject to JV approval.

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# Indonesia



## Sampang PSC

Cue Interest: 15% [Cue Sampang Pty Ltd]\*

Operator: Medco Energi Sampang Pty Ltd

Gas production from the Oyong and Wortel fields continued to perform to expectations during the quarter, with combined gross gas production consistent with last quarter.

The Paus Biru development Final Investment Decision (FID) by the JV is still pending government approval of a permit extension, commercial terms of the gas sales and other incentives requested by the JV.

The Paus Biru development is planned to consist of a single well and wellhead platform at the Paus Biru gas field, with a 27km subsea pipeline connecting the well to existing infrastructure at the Oyong field. Subject to final approvals, gas production from Paus Biru is expected to commence by 2025 at a rate of 20-25 mmcf/d.

Subject to the granting of a permit extension, the JV is reviewing opportunities for further exploration and development in the PSC, including options for Jeruk, a discovered oilfield.

## Mahato PSC

Cue Interest: 12.5% [Cue Mahato Pty Ltd]\*

Operator: Texcal Mahato EP Ltd

Oil production net to Cue from the PB field increased by 7% during the quarter compared to the previous quarter.

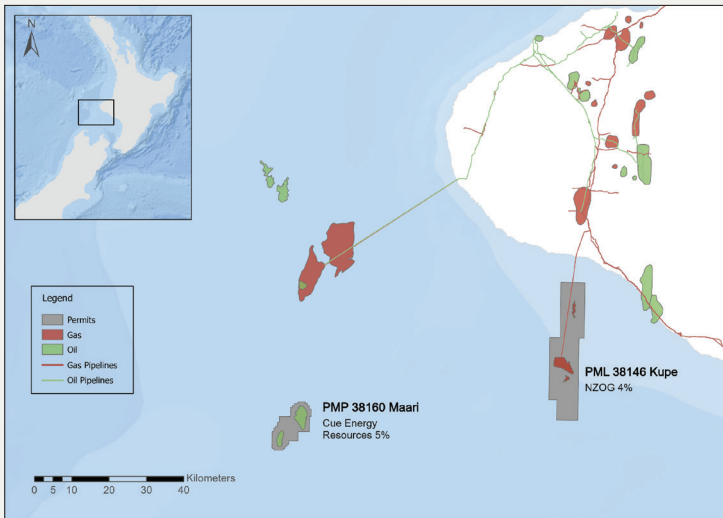
PB-11 and PB-20, two new development wells, were completed during and shortly after the quarter. PB-11 achieved an initial production rate of 360 barrels of oil per day, while PB-20 is still undergoing production testing. Several wells underwent maintenance workovers throughout the quarter.

Under the current development plans, 20 production wells and three injection wells are approved for the PB field. Including the recently completed wells, there are currently 15 oil production wells and one water injection well in the field.

Preparations are continuing for the drilling of exploration well BA-01. Subject to environmental clearances, drilling of the well is expected to commence during this quarter. BA-01 is located in the northern section of the PSC, independent of the producing PB field. The well aims to test for the presence of hydrocarbons in the BA prospect, with a primary target of the Miocene-age Telisa Formation sandstone reservoir at a depth of 900ft and a secondary target of the Menggala Formation, expected at approximately 2,500ft. Both targets are producing reservoirs in the Central Sumatra Basin.

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# New Zealand



## Kupe oil and gas field (PML 38146)

4% New Zealand Oil & Gas

50% Beach Energy (Operator)

46% Genesis Energy

The Kupe field continues to produce at current maximum field capacity, following a trend of natural well decline. Gas demand remains strong. Production volumes at Kupe were higher than the previous quarter by approximately 20%, due to a planned 21-day shutdown in November 2022.

Opportunities to increase field production continue to be investigated.

During the quarter, subsurface analysis, planning, and regulatory activities continued regarding the potential drilling of the KS-9 infill and development well. The environmental approval for the KS-9 well was received and the Valaris-107 jack up rig was secured. The Kupe JV is targeting a spud date for the KS-9 well later this year and aims to return the Kupe gas plant's capacity to around 77 TJ per day.

## Maari and Manaia oil fields (PMP 38160)\*

Cue Interest: 5% [Cue Taranaki Pty Ltd]

Operator: OMV New Zealand Limited

Gross oil production for the quarter remained consistent, averaging approximately 4,000 bopd, with one lifting of 24,100 barrels of oil net to Cue was conducted in January, with the sale achieving a significant price premium over the Brent benchmark.

The MN1 production well remained shut-in for the whole quarter. Workover operations to replace the electric submersible pump (ESP) are being undertaken in April, and the well is expected to be operational during the current quarter.

MR6a remained offline, with further well intervention work under consideration.

During the quarter, the Maari facilities underwent life extension inspections and works. The operator expects all items to be closed out within the required timeframe and the facilities certified for a further 5 years.

The Maari JV is assessing and prioritising value adding projects, including potential production enhancement and cost reduction opportunities.

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Quarterly Activities Report, for quarter ended 31 March 2023.

Authorised for publication on behalf of the Board by Andrew Jefferies, Managing Director.

**New Zealand Oil & Gas Limited**

36 Tennyson St, Wellington 6011, New Zealand | +64 4 495 2424 | enquiries@nzog.com | www.nzog.com

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