

8 September 2017

INDEPENDENT DIRECTORS EXPECT TO RECOMMEND REJECTION OF ZETA OFFER

New Zealand Oil & Gas has received notice from Zeta Energy Pte Limited (Zeta) that its partial, conditional takeover offer (Partial Offer) has been sent to New Zealand Oil & Gas shareholders.

The Partial Offer is for 42 per cent of each class of shares in New Zealand Oil & Gas that Zeta does not already hold or control, for a price of 72 cents per share. It follows Zeta's takeover notice, which was sent to New Zealand Oil & Gas on 10 August 2017.

The New Zealand Oil & Gas independent directors' initial view is that the offer lacks merit and the price is too low. On the information currently available they expect they will unanimously recommend that shareholders reject the offer.

The independent directors are preparing a target company statement in response to the Partial Offer, as required by the Takeovers Code.

The target company statement will be sent to all shareholders no later than 22 September 2017.

The independent directors recommend that shareholders take no action on the offer until they have received and considered the target company statement.

The target company statement will include a report from the independent adviser, Northington Partners, about the merits of the Partial Offer.