

Notice of 2022 Annual Meeting

The 2022 Annual Meeting of New Zealand Oil & Gas Limited (the Company) will be held at Front+Centre, Cnr Tory & Tennyson Sts, Wellington and online/virtually, at 10:00am (New Zealand Daylight Saving Time) on Wednesday, 2 November 2022.

Details of how to participate are provided in the Virtual Meeting Guide accompanying this notice. To participate in this meeting online please register your attendance before the meeting via:
https://us02web.zoom.us/webinar/register/WN_xHU4RkNIQxeSZvGm8Srj4A on your desktop computer or mobile device.

Business

Chair's Address

Shareholder Questions

Consideration of any shareholder questions submitted prior to the Annual Meeting (to the extent these questions have not already been addressed in the Chair's Address and Chief Executive Officer's Presentation).

For further details, see Explanatory Note 1.

Special Resolution

To consider and, if thought fit, pass the following Special Resolution, requiring approval by a majority of 75% or more of the votes of shareholders entitled to vote and voting:

AMENDMENT TO CONSTITUTION

Resolution 1: That the Company's Constitution be amended, with effect from the close of the Annual Meeting, as described in Explanatory Note 2 and set out in detail in the marked up Constitution which may be viewed at www.nzog.com.

For further details, see Explanatory Note 2.

Ordinary Resolutions

To consider and, if thought fit, pass the following Ordinary Resolutions, requiring approval by a simple majority of the votes of shareholders entitled to vote and voting:

ELECTION OF DIRECTORS

Resolution 2: That Mr R Ritchie be elected as a Director.

For further details, see Explanatory Note 3.

AUDITOR'S REMUNERATION

Resolution 3: That the Board be authorised to fix the auditor's remuneration.

For further details, see Explanatory Note 4.

General Business

SHAREHOLDER PROPOSAL: AMENDMENT TO CONSTITUTION

To consider and, if thought fit, pass the following Special Resolution, requiring approval by a majority of 75% or more of the votes of shareholders entitled to vote and voting:

Resolution 4: That the Company's Constitution be amended, with effect from the close of the Annual Meeting, by inserting the following sub-clause into Section 16 of the Constitution:

Voting at Meetings of Shareholders: At any time where there is a Controlling Shareholder and 50 per cent or more of shareholder votes excluding

the votes of the Controlling Shareholder have been cast against a Board recommendation for a resolution, the Company, when announcing voting results, include an explanation of what action it intends to take to consult shareholders in order to understand the reasons behind the result. An update on the views received from shareholders together with action taken, including what impact the feedback has had on the decisions the Board has taken and any actions or resolutions then proposed, be disseminated to shareholders no later than six months after the voting result is announced.

Consequent on the passing of this resolution the following definition to be inserted into the Interpretation section of the Constitution:

"Controlling Shareholder" means any person who exercises or controls on their own or together with any person with whom they are acting in concert 30 per cent or more of the votes able to be cast on all or substantially all matters at general meetings of the Company.

These Resolutions are proposed by a shareholder. For further details, see Explanatory Note 5.

Resolution 5: Independent Directors:

At any time the Company has a Controlling Shareholder the election or re-election of the Lead Independent Director by shareholders must be approved by:

1. The Shareholders of the Company, and
2. The Shareholders of the Company excluding the votes of the Controlling Shareholder (the minority shareholders).

If the election or re-election of the Lead Independent Director is not approved by both the shareholders and the minority shareholders, but the Company wishes to propose that person for election or re-election as an Independent Director, the Company must propose a further resolution to elect or re-elect the proposed Lead Independent Director which:

- a. Must not be voted on within a period of 90 days from the date of the original vote;
- b. Must be voted on within a period of 30 days

- from the end of the period set out in (a); and
- c. Must be approved by the shareholders of the Company.

Consequent on the passing of this resolution the following definitions to be inserted into the Interpretation section of the Constitution:

“Controlling Shareholder” means any person who exercises or controls on their own or together with any person with whom they are acting in concert 30 per cent or more of the votes able to be cast on all or substantially all matters at general meetings of the Company.

“Lead Independent Director” means an independent director whose role in addition to that of a director is to provide leadership to the independent directors, liaise with CEO on behalf of the independent directors and advise the board on matters where there may be an actual or perceived conflict of interest.

That the Company’s Constitution be amended, with effect from the close of the Annual Meeting, by inserting the following sub-clause in Section 22 of the Constitution.

Attendance and voting

Your rights to vote may be exercised by:

- a. Attending and voting in person; or
- b. Postal Voting. The Board has determined that postal voting is permitted. Postal voting instructions are included in the Voting Card which accompanies this Notice of Annual Meeting. You can cast a postal vote online, or complete and send the Voting Card by post in the enclosed reply paid envelope provided, email (as a scanned attachment) so that your vote is received by Computershare Investor Services Ltd no later than 10.00AM on Monday, 31 October 2022; or
- c. Appointing a proxy (or representative) to attend and vote in your place. The proxy need not be a shareholder of the Company and the form of appointment of a proxy and voting instructions accompany this Notice of Annual Meeting. You can appoint a proxy online or complete and send the Voting Card by post, email (as a scanned attachment) so that it is received by Computershare Investor Services Ltd by no later than 10.00AM on Monday, 31 October 2022.

Following the formal part of the meeting, the Directors invite shareholders to join them for light refreshments.

On behalf of the Board



Paris Bree
Company Secretary

27 September 2022

Please Note:

- 1) If you wish to exercise your vote for the above resolutions by proxy please refer to Explanatory Note 7.
- 2) If you are attending the Annual Meeting in person, please return the enclosed RSVP form to assist us in our planning and please bring the Voting Card with you.

EXPLANATORY NOTES

NOTE 1 – SHAREHOLDER QUESTIONS

Shareholders may submit written questions to be considered at the Annual Meeting. Written questions should be sent by post to “Annual Meeting,” New Zealand Oil & Gas Limited, Level 1,

36 Tennyson Street, Wellington 6011 or by email to enquiries@nzog.com. The Company reserves the right not to address any questions that, in the Board’s opinion, are not reasonable to address in the context of an annual meeting, or any question received fewer than 5 working days prior to the Annual Meeting.

NOTE 2 – AMENDMENT TO CONSTITUTION

RESOLUTION 1

From 27 June 2022, New Zealand Oil & Gas began trading with full listing status on the ASX and foreign exempt status on the NZX. The Company proposes to amend its Constitution to make it compliant with requirements of the new listing requirements.

Key proposed changes include:

- Inserting reference to both exchanges in relevant places,
- The addition of a restricted securities clause required by the ASX as a condition to the listing,
- Updating the minimum number of NZ resident directors to reflect the Companies Act requirement instead of the NZX Listing Rules requirement.

A copy of the Constitution, marked up to show all changes to the current Constitution, can be found on the Company’s website: www.nzog.com. A copy of the Updated Listing Rules can be found on the ASX and NZX websites: www.nzx.com and www.asx.com.au

The amendments to the Constitution do not impose or remove a restriction on the activities of the Company or affect the rights attaching to shares and, accordingly, the proposed special resolution approving the amendments does not trigger shareholder minority buy-out rights under the Companies Act 1993.

The Companies Act 1993 requires that the amendments to the Constitution must be approved by a special resolution of shareholders.

The Board unanimously recommends that shareholders vote in favour of the amendments to the Constitution

NOTE 3 – ELECTION OF DIRECTORS

RESOLUTION 2

The Board has set the maximum number of Directors at seven. A Director must not hold office (without re-election) past the third annual meeting following the Director’s appointment, or 3 years, whichever is longer. Mr Ritchie was last elected as a Director at the 2019 Annual Meeting on 12 December 2019. Accordingly, he is retiring as a Director and, being eligible, seeks re-election.

BOARD RECOMMENDATION

The Board has determined that Mr Ritchie is independent. The Board believes that Mr Ritchie brings experience of the Company, experience in major international oil and gas companies and HSSE skills that would not otherwise be represented on the Board. For these reasons the Board believes it is in the interests of shareholders that Mr Ritchie be elected as a member of the Board.

The Board recommends that shareholders vote in favour of Resolution 2.

Roderick Ritchie is a petroleum engineer with 38 years of global experience as a line manager and a Health, Safety, Security and Environment [HSSE] Executive in the oil and gas industry. Most recently, Rod was the Corporate Senior Vice President of HSSE at OMV based in Vienna, Austria. During his oilfield career Rod has worked in Australia, New Zealand, North Sea, Austria, Romania, Indonesia, Middle East, Peru, and West Africa. Rod was also on the Management Committee of the Association of Oil and Gas producers. Rod is a graduate of Tulsa University (BSc Petroleum Engineering) and is a member of the Society of Petroleum Engineers. Rod has been a member of the New Zealand Oil & Gas Board since October 2013, is the Chairman of the Health, Safety, Security, Sustainability and Operational Risk Committee and a member of the Nomination and Remuneration Committee and the Audit Committee.

NOTE 4 – AUDITOR’S FEE

RESOLUTION 3

KPMG are automatically reappointed as auditor under section 207T of the Companies Act 1993. This Resolution authorises the Board to fix the fees and expenses of the auditor.

NOTE 5 – SHAREHOLDER PROPOSALS – AMENDMENTS TO CONSTITUTION

THE BOARD DOES NOT SUPPORT THE RESOLUTIONS. THE BOARD RECOMMENDS THAT YOU VOTE AGAINST RESOLUTIONS 4 & 5.

The Company has received the text of Resolutions 4 & 5 from Brian Roulston, on behalf of Resources Trust Limited [a shareholder]. A proposer’s statement in favour of the Resolution is annexed to this document at Annexure A.



NOTE 6 – VOTING BY PROXY

If you are unable to attend the Annual Meeting, you may appoint a proxy to attend in your place. A proxy need not be a shareholder of the Company.

The Chair of the meeting is willing to act as proxy for any shareholder who may wish to appoint him for that purpose. The Chair will vote as directed on any resolutions, and intends to vote any discretionary proxies in favour of all Resolutions except Resolutions 3 & 4 [to the extent permitted by the Listing Rules and the Company's Constitution].

If you select a proxy to vote on your behalf [including the Chair], and you either (i) confer on the proxy a discretion on the Voting Card or (ii) do not provide any instructions on the Voting Card about how the proxy should vote, you acknowledge that the proxy may exercise your proxy at his or her discretion and may vote as he or she thinks fit or abstain from voting. In so doing you acknowledge that the proxy may exercise your right to vote even if he or she has an interest in the outcome of the Resolution(s) [provided that interest does not disqualify him or her from voting under the ASX Listing Rules].

If you do not attend the meeting, exercise your vote by postal vote or appoint a proxy, then no vote will be exercised in respect of your shareholding.

ENTITLEMENT TO VOTE

All persons registered on the Company's register of shareholders as the holders of shares as at 10.00AM [NZDST] on Monday, 31 October 2022 will be entitled to vote on the Resolutions at this Annual Meeting.

If you have appointed a proxy to attend the Annual Meeting in your place, you may still observe the Annual Meeting by webcast [but only your proxy may cast your votes].

Voting on all of the Resolutions is to be by way of poll. No persons are restricted from voting on, or acting as a discretionary proxy in relation to, any of the Resolutions referred to in this Notice of Annual Meeting.

POSTAL VOTING

The Board has authorised Computershare Investor Services Ltd to receive and count postal votes at the Annual Meeting.

WEBCAST AND RESULTS

Live audio of the Annual Meeting will be available at www.nzog.com

Following the Annual Meeting, the results will be posted at www.nzog.com and on www.asx.com.au and on www.nzx.com

PROPOSER'S STATEMENT, RESOLUTIONS 4 & 5

The proposed resolutions are to address governance issues specific to minority shareholders in a company with a "controlling shareholder". CGI Glass Lewis's New Zealand 2021 Guidelines on controlled companies covers the issues as follows:

Controlled companies present an exception to our normal independence recommendations. Where major shareholders effectively control a company CGI will accept the composition of the board reflecting the makeup of the shareholder population [i.e. the proportion of the independent element of the board should be roughly equal to the proportion of the public equity in the company]. Ideally, if the chair is not independent, an appropriately qualified lead independent director should be appointed.

We accept the controlling shareholder of the company can be of crucial importance to the company and generally has substantial wealth invested in the company. Consequently, we will rarely recommend shareholders vote against the re-election of the founder or other key principals of the controlling shareholder of a controlled company.

We do not, however, extend that approach to the audit committee of a controlled company. In our view, audit committees of controlled companies need to consist solely of non-executive directors, a majority of whom are independent. Regardless of the company's controlled status, the interests of all shareholders must be protected by ensuring the integrity and accuracy of the company's financial statements. Allowing a majority affiliated director to discharge the duties of audit oversight could present an insurmountable conflict of interest.

Corporate Governance Codes [Codes] operate by virtue of a feedback loop whereby shareholders can intervene if they deem Code deviations to be unsatisfactory. In a controlled company situation the ability to intervene does not exist as while minority shareholders have voting rights, they effectively have no voting power against that of the controlling shareholder. Accordingly, "independent" directors cannot be voted off the board by minority shareholders.

The Codes of the NZX and the ASX historically derive from the UK Cadbury Report published in 1992 at a time when share ownership in most listed large companies was widely dispersed. This brought about a sole focus on the issuer agency conflict concerned with finding ways to align the interests of managers with those of investors. When there is a controlling shareholder the "investor", by control, is the manager and related Code rules in that situation are not relevant.

Where a company is under the control of a large active shareholder, the "agency" conflict between shareholders and managers is less pronounced. Yet, the power of controlling shareholders gives rise to another "agency" issue: the potential conflicts of interest with minority shareholders.

Thus, corporate governance rules that were developed for widely held firms may overshoot or undershoot in the context of controlled companies. Specifically adjusted rules might therefore be called for¹.

Leading up to 2014 the UK Financial Conduct Authority (FCA), recognised that the UK requirements needed to be updated due to growing numbers of listed companies with controlling shareholders. It consulted on proposals to enhance the UK listing regime by strengthening shareholder protections and governance arrangements in that regard. The underlying concerns of the consultation included:

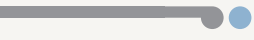
- Potential abuse of the company where transactions between the company and the controlling shareholder were concerned and the lack of transparency over such transactions – private benefits of control.
- Inability of shareholders to influence the composition of the board, especially the election and dismissal of independent directors.

The NZX and ASX have seen a considerable increase in the number of companies with controlling shareholders since the beginning of this century but nothing has been done which matches the FCA's lead in relation to controlled companies.

An analysis by the proposer in November 2021 of New Zealand based companies listed on the NZX showed that of the 120 companies 53 [44%] had substantial shareholders holding 50% or more of the shares, 28 [23%] had substantial shareholders holding more than 30% but less the 50% of the shares, and 39 [33%] had widely dispersed ownership. NZX has 66% of its listed companies as material exceptions to the Code. A similar pattern is apparent in Australia.

Resulting from the FCA's consultation process and bullet point 1 above, 'Provision 4' was inserted into the UK Corporate Governance Code's section on Board Leadership and Company Purpose. The wording for proposed Resolution 4 has been taken directly from Provision 4.

¹Karl Hofstetter: One Size Does Not Fit All: Corporate Governance for "Controlled Companies"



The FCA's solution to bullet point 2 above was to provide additional voting power for minority shareholders when electing independent directors by requiring that they must be separately approved both by the shareholders as a whole and independent shareholders as a separate class.

In the NZX 2018 Code review two submitters made related recommendations as follows:

To be elected as independent, a director should be elected by a majority of minority shareholders. We have seen a situation where an "independent" director has been opposed by a majority of minority shareholders but has been re-elected based on support from the majority shareholder. - Devon Funds Management

We believe that directors not supported by the majority of non-conflicted shareholders should be classified as non-independent. - ACC

As a response to bullet point 2 above the London Stock Exchange's Listing Rules were amended by the insertion of rules 9.2.2ER and 9.2.2FR. The wording for proposed Resolution 5 has been taken directly from those rules.

NZO is currently in theoretical compliance with listing rules and governance codes, and it is not the purpose of this proposal to suggest otherwise. Rather, the current Codes are deficient through non-recognition of controlled companies.

Majority shareholder O. G. Oil & Gas is invited to take a lead by getting in front of this issue and voting in favour of the two proposed resolutions. It has nothing to lose by doing so.

Doing so will enhance the position of minority shareholders, the governance practices of NZO, and remove a perceived barrier to investment by new shareholders.

Brian Roulston
Resources Trust Limited

VIRTUAL MEETING

This year's Annual Meeting will be held online as well as in person.

Our online meeting provides you the opportunity to participate online using your smartphone, tablet or computer via the zoom app. The meeting will be hosted via zoom webinar and can be accessed via the link sent to you once you have registered your attendance as instructed below. If you choose to attend online you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

Register in advance for the virtual meeting:

Should you wish to attend the meeting virtually, please register your attendance in advance by accessing the link below:

https://us02web.zoom.us/webinar/register/WN_xHU4RkNIQxeSZvGm8Sjrj4A

1. Enter your name and email address
2. Confirm whether you are a current Shareholder of the Company
3. Shareholders to confirm their registered Shareholder Name and Registered Holder Address
4. Shareholders to confirm whether they have voted via proxy prior to the meeting
5. Corporate Shareholders to confirm whether they have provided the Company with a Corporate Representative Form
6. Guests to confirm the company or person they are representing at the AGM

After registering, you will receive a confirmation email containing information about joining the meeting on the day of the AGM. The Company strongly recommends its shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company will conduct a poll on each resolution presented at the meeting. The Company will accept questions during the meeting either by submitting a question through the Q&A box located on screen or by raising the hand function also located on screen at which point the Company will allow your question verbally. Instructions on how to vote and ask questions will be provided during the meeting.

