

NEWS RELEASE

New Zealand Energy Operational and Corporate Update

5th February 2015 – Wellington, New Zealand - New Zealand Energy Corp. ("NZEC" or the "Corporation") (TSX-V : NZ, OTCQX: NZERF), wishes to provide an update with respect to current operations and future corporate plans.

Organisational Restructuring

Significant changes have been made at the NZ operations level to limit (where practicable) cash burn in this low oil price environment.

After a review of the current production and oil price, the company has found it necessary to find further savings. Following a consultation process with staff, several positions have become either redundant or rationalised from the New Plymouth and Waihapa Production plant, and from March 2015 will achieve cost savings in the order of NZ\$70,000 per month. CEO David Robinson said, "The company is focused on our commitment to health, safety and the environment and being a cost effective, efficient and focused operator."

In addition, NZEC is undertaking a comprehensive review of all its third party access contracts with the intent of ensuring full value is attained from its current asset base.

Production from existing permits remains steady with an average of 147bbl/day over the month of January. Subject to sufficient working capital being available, a number of short term upside opportunities are available, which could potentially increase production from Copper Moki and enhance the oil recovery from the TWN field. All facilities remain reliable with essential maintenance continuing to ensure plant integrity.

Forward Planning

In light of recent changes to the oil price, the NZEC operations team has been conducting a Technical Review of both discretionary and commitment expenditure across its permit position.

The large number of targets across multiple reservoirs within the Company's permit position allows for significant flexibility in maximizing economic returns – both from the drilling of new wells and workover programs across existing production.

Corporate Activities

NZEC has been in active discussions with a number of counterparties with the aim of ensuring adequate working capital is available to deliver on the outcomes of its Technical Review.

NZEC is undertaking a comprehensive process that may include maximising value from both the fixed asset base and permit positions via farm-ins, joint ventures and asset divestments in addition to the

issuance of conventional equity and debt. NZEC is focused on ensuring any transactional activity is in the best interests of the company.

In particular, the Company is engaged in active dialogue with potential strategic partners whereby strong operational and technical synergies might be achieved over and above the provision of an improved capital position.

Shareholders will be kept informed of any developments regarding this process.

NZEC Chairman, John Greig, said “Our CEO, David Robinson, has delivered an organisational structure that minimises ongoing cash burn yet protects our strong permit position. David’s focus is now on delivering a transformational outcome that will ensure we are appropriately capitalised whilst protecting the position of our existing shareholder base.”

On behalf of the Board of Directors

“David Robinson”

Chief Executive Officer & Director

About New Zealand Energy Corp.

NZEC is an oil and natural gas company engaged in the production, development and exploration of petroleum and natural gas assets in New Zealand. NZEC’s property portfolio collectively covers approximately 1.15 million acres of conventional and unconventional prospects in the Taranaki Basin and East Coast Basin of New Zealand’s North Island. The Company’s management team has extensive oil and gas exploration and operations experience in New Zealand. NZEC plans to execute a technically disciplined exploration and development program focused on the onshore and offshore oil and natural gas resources in the politically and fiscally stable country of New Zealand. NZEC is listed on the TSX Venture Exchange under the symbol NZ and on the OTCQX International under the symbol NZERF. More information is available at www.newzealandenergy.com or by emailing info@newzealandenergy.com.

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FORWARD-LOOKING INFORMATION

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for New Dawn's agreement when deciding on which working capital purposes to apply the working capital facility; global financial market events that cause significant volatility in commodity prices; unexpected costs or liabilities for environmental matters; competition for, among other things, capital, acquisitions of resources, skilled personnel, and access to equipment and services required for exploration, development and production; changes in exchange rates, laws of New Zealand or laws of Canada affecting foreign trade, taxation and investment; failure to realize the anticipated benefits of acquisitions; and other factors as disclosed in documents released by NZEC as part of its continuous disclosure obligations. Such forward-looking statements should not be unduly relied upon. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Actual results could differ materially from those anticipated in these forward-looking statements. The forward-looking statements contained in the document are expressly qualified by this cautionary statement. These statements speak only as of the date of this document and the Company does not undertake to update any forward-looking statements that are contained in this document, except in accordance with applicable securities laws.