NEW ZEALAND ENERGY CORP.

TSX-V: NZ
OTCQX: NZERF

NEWS RELEASE

New Zealand Energy Announces Commencement of Water Flood Project

16 November 2015 – Wellington, New Zealand – New Zealand Energy Corp. (the "**Company**") (TSX-V: NZ, OTCQX: NZERF) announces that it has commenced a water flood project in the Copper Moki-1 pool with the conversion of the Waitapu-2 well (previously shut-in) from an oil producer to a water injection well.

The water flood project has been contemplated for some time but had previously been considered to involve considerable cost. The project as now initiated is low cost, and has been designed to achieve the same outcomes as other higher cost alternatives. Under the project, treated water will be injected into the down-dip Waitapu 2 well, initially at the rate of 200bbls per day and, with progressively increased injection rates, is expected to increase reservoir pressure in the pool and aid oil recovery from the Copper Moki-1 well.

"This is the first of a number of low cost, technically driven, projects the Company will embark upon in the next few months in the TWN and Copper Moki permits in order to assess and enhance oil and gas recovery" James Willis Chairman of NZEC said.

"We expect to have a better understanding of the outcome of the project in the first quarter of 2016. Updates will be provided to shareholders once such outcomes can be determined with more certainty."

On behalf of the Board of Directors

"James Willis"

Chairman

New Zealand Energy Corp.

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