

NEWS RELEASE

New Zealand Energy Corp Announces Q3 Results and Updates on Activities

14 November 2016 – Wellington, New Zealand – New Zealand Energy Corp. (the “**Company**”) (TSX-V: NZ) today released the results of its third quarter ended 30 September 2016 and provided an update of the results from recent activities. Details of the Company’s financial results are described in the Condensed Consolidated Interim Financial Statements for the period ended 30 September 2016 and Management’s Discussion & Analysis which are available on the Company’s website at www.newzealandenergy.com and on SEDAR at www.sedar.com.

The Company made a net loss for the three month period ended 30 September 2016 of \$1,126,194. This includes additional costs of \$105,000 related to the Copper Moki waterflood and \$45,000 in relation to the Waihapa Enhanced Oil project along with non-cash charges of \$451,873 for depreciation. By comparison, the loss for the third quarter of 2015 was \$806,764 which included the benefit of \$175,000 from the back-payment for gas priority processing with Contact together with non-cash charges of \$377,857 for depreciation. The Company realized a loss per share for the three month period ended 30 September 2016 of \$0.005 (2015: \$0.004).

The table following shows the results in terms of “Cash provided by (used in) operating activities (\$)”:

Period Ended	Year to Date	30 September	30 June	31 March
2016	(131,768)	(84,143)	5,563	(53,188)
2015	(1,351,631)	(227,264)	(464,003)	(660,364)

In providing an update on Company activities, Mike Adams, the Company Chief Executive Officer said, “In late 2015 the Company announced its key objectives for 2016 were to operate safely, to grow production volumes and to generate a positive operating cash flow. I am delighted in our safety performance, having achieving 604 days harm free as of today. And we are close to generating positive operating cash flow. Our third priority has been to identify and pursue opportunities within the existing Company assets for low cost production growth.”

“The TWN licences have seen the implementation of Stage-1 of an enhanced oil recovery project with respect to the Waihapa-Ngaere Tikorangi oil reservoir. Stage-1, involving re-designed high fluid rate gas-lift systems, was completed in late July 2016. The results from Stage-1 well Waihapa-6A have been encouraging with oil production having increased from around 40 boepd (and 630 bwpd) in July 2016 to over 155 boepd (and 2400 bwpd) by early November. This increase and the simultaneous positive response observed in the other producing wells has proven the validity of the Enhanced Oil Project twin concepts; first, increasing fluid rate will increase oil rate and second, reducing reservoir pressure by out-producing the natural aquifer will mobilize oil stranded in low permeability fractures.”

“We are pleased to have confirmation of substantially increased oil rates resulting from increasing fluid production volumes. Stage-2 of the project is being finalized now and is expected to involve the installation of an electric submersible pump in one

of the production wells in the field. In due course, subject to ongoing positive results, the plan is to implement additional Stages-3 and -4 of the Enhanced Oil Project, which is expected to increase [net] production to more than 300 boepd.”

“In Copper Moki the company announced in November 2015 a water flood project using the Waitapu-2 well as a water injector well; and also replacement of a pump at Copper Moki-2. Production performance from Copper Moki-1 and -2 remains stable and substantially above 2015 levels. Also, there are indications that the Waitapu-2 water injection well may be providing support to the Copper Moki-2 oil pool as well as Copper Moki-1. The water injection capacity is in the process of being increased from ~500 bwpd to ~1000 bwpd in order to accelerate the production benefits from the water-flood. “Injected water has not been seen in either production well despite injection being underway for nearly a year, proving the value of managing the water injection program to maintain a gravity stable flood front.”

“Daily production from Copper Moki increased (from 48boepd in October/November 2015) to an average of 190 boepd YTD to end September 2016. Copper Moki production in October averaged around 105 boepd.”

“In relation to the company’s third party processing operations, a further agreement has recently been signed for third party processing services at the Waihapa Production Station. “This is a new revenue stream and brings, on an annualized basis, total third party processing fees to approximately \$2 million (NZEC share). We continue to pursue opportunities to increase usage and attract further third parties to use our facilities.”

“The Alton Permit (PEP 51151) work programme requires the drilling of an exploration well by 22 November 2016. Following discussions with the New Zealand regulator, and due to current oil prices not supporting drilling of the prospect (Horoi) in this time frame or in the subsequent year, the Joint Venture has decided to relinquish the Alton Permit. The Company will focus our efforts on the projects being undertaken and on other opportunities available in the TWN Licences and in Copper Moki. With respect to our Eltham exploration permit, we await with interest the high resolution ingress seismic data from the recent Kapuni 3D survey acquired by Shell-Todd Oil Services.”

On behalf of the Board of Directors

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Chief Executive Officer

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FORWARD-LOOKING INFORMATION

This document, the consolidated interim financial statements for the period ended 30 September 2016 and Management's Discussion and Analysis contain certain forward- looking information, forward-looking statements ("forward-looking statements"). The reader's attention is specifically drawn to the qualifications, disclosure and cautionary statements in these documents regarding forward-looking statements and reserve and resource estimates.

The Company notes that such forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond NZEC's control, the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, operational risks in exploration and development, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal and external sources. Although the Company believes that the expectations in its forward-looking statements are reasonable, they are based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward looking information.

As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. All forward-looking statements are made as of the date of this document or the date of the documents referenced above, except as required by applicable law, the Company does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.