

NEWS RELEASE**New Zealand Energy Corp. Update on Activities**

27 February 2017 – Wellington, New Zealand – New Zealand Energy Corp. (the “**Company**”) (TSX-V: NZ) today provided updated results from recent activities and released an Investor Update presentation covering aspects of the Company’s performance since the November 2016 Update. The update and presentation dated 27 February 2017 are available on the Company’s website at www.newzealandenergy.com and on SEDAR at www.sedar.com.

In providing an update on Company activities, Mike Adams, the Company Chief Executive Officer said, “In November 2016 we reported successful implementation of Stage 1 of an enhanced oil recovery project in the Waihapa-Ngaere Tikorangi oil reservoir. Since then we have seen continuation of the positive oil response and on the basis of this we have implemented Stage 2 bringing another two wells into high rate fluid production using gas-lift.”

“The early results from Stage-2 have been encouraging with an increase in oil rate from these wells of approximately 50%. Considering Stages 1 and 2 together we have increased oil production from Waihapa-Ngaere by more than 100%, i.e. from ~70 boepd [net] in June 2016 to ~145 boepd [net] in mid-February 2017. This has been achieved largely by expansion of our existing gas-lift and processing systems and hence has been achieved at low cost. In addition, these results provide further confirmation of the development concepts supporting the enhanced recovery project.”

“At Copper Moki, production performance from Copper Moki-1 and -2 remains substantially above 2015 levels. The water injection capacity of the Waitapu-2 well has been increased from ~500 bwpd to ~1000 bwpd in order to accelerate the production benefits from the water-flood. Injected water production has recently commenced in Copper Moki-1 and the well has a stable water-cut of less than 20%. The data from the waterflood is being incorporated into updated reservoir analyses and models through the next quarter.”

“The Company is also working on the discovered and prospective oil and gas volumes remaining in the Tariki Licence area as part of the agreed committed work program. Studies to prioritize restoring production in the Licence show some encouraging opportunities and will be progressed through the balance of 2017”

“In relation to the company’s third party processing operations, an expansion of an existing agreement has increased third party processing volumes at the Waihapa Production Station by a further ~90 boe/d. NZEC will continue to pursue opportunities to increase third party usage of these facilities.”

Commenting on changes within NZEC, Mr Adams said, “The Company has also renewed focus on further reducing operating costs and will achieve a reduction of \$1 million in annual operating costs once all the identified reductions are completed. This work included an organizational review and the New Plymouth based position of General Manager Operations, has been disestablished. The responsibilities of that position have been re-allocated to existing personnel with effect from the 13th of February 2017.”

On behalf of the Board of Directors

“Mike Adams”

Chief Executive Officer

New Zealand Energy Corp.

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FORWARD-LOOKING INFORMATION

This document and the presentation referred to in this document 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 the presentation regarding forward-looking statements.

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.