NEW ZEALAND ENERGY CORP.

Management's Discussion and Analysis

Nine Months Ended 30 September 2022

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") is dated 25 November 2022, for the quarter ended 30 September 2022. It should be read in conjunction with the Unaudited Condensed Consolidated Financial statements for the quarter ended 30 September 2022 of New Zealand Energy Corp. ("NZEC" or the "Company") as publicly filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.

NZEC reports in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the associated Unaudited Condensed Consolidated Financial statements, are presented in accordance with IFRS.

This MD&A includes certain statements which may be deemed "forward-looking statements" (see *Forward-looking Information*). All amounts are in Canadian dollars unless otherwise stated.

NZEC's shares are listed on the TSX Venture Exchange under the symbol "NZ". Additional information is available on SEDAR and on the Company's website at www.newzealandenergy.com.

NZEC's BUSINESS

NZEC, through its subsidiaries (collectively "NZEC" or "the Company") is engaged in the production of and exploration for oil and natural gas, as well as the operation of midstream assets, in New Zealand. The Company's assets are located on New Zealand's North Island in the Taranaki Basin, New Zealand's only commercial oil and gas producing area.

Background

NZEC is the Operator of three Petroleum Mining Licences ("PMLs"), one Petroleum Mining Permit ("PMP") and one Petroleum Exploration Permit ("PEP") in each of which it has an interest. It holds a 50% interest, in PML 38138 ("Tariki Licence"), PML 38140 ("Waihapa Licence") and PML 38141 ("Ngaere Licence") (collectively the "TWN Licences"). L&M Energy Limited ("L&M") hold the remaining 50%.

NZEC has a 100% interest in PMP 55491 ("Copper Moki PMP") and PEP 51150 (the "Eltham Permit").

NZEC holds a 50% working interest (with New Dawn Energy Limited) in, and is operator of, the Waihapa Production Station and associated gathering and sales infrastructure (collectively the "TWN Assets"), providing a range of services to its own operated assets and to third parties, oil handling and pipeline throughput, gas processing and transport, LPG storage and produced water handling and disposal.

The following are the operating highlights for the quarter:

1. **Safety:** One incident occurred in this quarter. During commissioning of the Northern Gas Lift Line, a Pig got stuck in the kick over line causing high back pressure in the Water Injection Line at Waihapa Production Station. The volume of work at Waihapa increased during the execution of the Northern Gas lift project with one incident mentioned above.

   An ongoing effort by the operators has seen continued response of observation cards. A Level 3 Corporate Oil Spill Exercise was successfully conducted in September. The exercise was centred round a Loss of Containment at the Ngatoro Tie In at Dudley Road where a production line joins the TWN line to the Omata Tank Farm.

   Regular ongoing audits on the "Top 10 Process Alarms Annunciating" has led to nuisance alarms being removed. Pipeline Remaining Life Reviews are ongoing.

2. **Copper Moki-1:** Copper Moki-1 oil production averaged 25 bopd for Q3 which is a decrease from the previous quarter (35 bopd).

3. **Copper Moki-2:** Copper Moki-2 production for Q3 averaged 18 bopd an increase from the previous quarter (17 bopd). Copper Moki-2 has been shut in since 30 September 2022 due to a failure of the artificial lift pump. Work is underway to remedy.

4. **Waihapa Production Station Low OPEX Mode:** Operations through Q3 focussed primarily on third-party oil, gas and water handling services and on processing and transporting production from the company's Copper Moki interests. Gas lifting has commenced at a lower operating cost per unit. Gas lifting from the other northern Ngaere wells began late Q3 2022.

5. **Waihapa-Ngaere Production:** The average rate (NZEC share) for Q3 2022 was 35 bopd (100% oil). This was an increase from the 26 bopd NZEC share (100% oil) in Q2 2022. At quarter end the Waihapa Field

was producing 35 bopd (NZEC share) with an expectation this should increase in the latter part of 2022 following the commissioning of new gas lift connections. See "2022 Outlook" and "Property Review and Outlook"**.**

6. **Production:** Aggregate production for Q3 2022 was 7,928 boe (88% oil) (average 86 boe per day); compared to Q2 2022 when production was 8,017 boe (86% oil) (with an average 88 boe per day).

7. **Sales (oil):** Oil sales for Q2 2022 of 6,450 bbl realised $751,895 (with an average oil sale price of $116.57 per bbl); compared to the Q2 2022 sales of 9,184 bbl which realised $1,291,906 (with an average oil sale price of $140.67 per bbl). Lower sales are a result, in part, of two liftings occurring during the quarter.

8. **Processing revenue:** The TWN Assets (NZEC share) generated $383,759 from processing fees for Q3, compared to $423,476 for the previous quarter, with several third-party customers accessing a range of services including site operations, oil processing and handling, oil and gas pipeline throughput services, water disposal and gas processing.

9. **Tariki PML 38138:** During 2020, reservoir studies indicated the likely presence of undeveloped gas in the Tariki Field. Encouraged by this assessment and to better assess the viability of a gas storage development, the Tariki Joint Venture acquired a 3D seismic survey over the Tariki Permit which was completed in June 2021. Processing of the new data was completed by the end of 2021 and interpretation of the Tariki field data has been ongoing throughout 2022. During Q3, the Tariki Joint Venture engaged RPS Energy Canada Limited ("RPS") to prepare an independent report of the oil and gas reserves of the Tariki Field which evaluation was received after the end of Q3. The Tariki Joint Venture is now advancing plans for drilling a well at Tariki in the first half of 2023.

   A summary of the RPS evaluation follows:

   - Undeveloped reserves have been assigned to the planned new well which is to be drilled in the crest of the Tariki sandstone member in the overthrust structure of the field during 1H 2023;
   - Gross (before royalties) remaining reserves net to NZEC are:
     - 3.20PJ (2.56 Bcf) gas and 51.9 thousand stock tank barrels condensate of Proven (1P)
     - 6.88PJ (5.50 Bcf) gas and 136.9 thousand stock tank barrels condensate of Proven plus Probable (2P)
     - 9.24PJ (7.39 Bcf) gas and 205.8 thousand stock tank barrels condensate of Proven plus Probable plus Possible (3P) (1)
   - Net Present Value of Future Cash Flow net to NZEC of:
     - NZ$14.66 million after tax for Proved reserves (1P) at a discount of 10%
     - NZ$37.09 million after tax for Proved and Probable reserves (2P) at a discount of 10%
     - NZ$45.56 million after tax for Proved and Probable and Possible reserves (3P) at a discount of 10% (1)
     - Tax losses of NZ$50 million have been assumed in all cases
   - Key assumptions (on a 100% basis with 50% of the subject costs net to NZEC) are:
     - New well drilled in 1H 2023 at a cost of NZ$8.25 million
     - Production facilities installed 1H 2023 at a cost of NZ$1.75 million
     - Pipelines exist from the Tariki-A site to the NZEC Waihapa Production Facility and are connected to export routes
     - Fixed operating costs of NZ$0.5 million per annum inflated at 2%
     - Variable operating costs of NZ$1.50/Mcf and $8.24/stb inflated at 2%
     - Gas price of NZ$8.93 in 2023 escalated at 2% per annum
     - Condensate price of NZ$139.56/bbl (derived from Brent at $95/bbl) in 2023 and $124.06/bbl (derived from Brent at $85/bbl) in 2024 inflated at 2% per annum thereafter

   (1) Possible reserves are those additional reserves that are less certain to be recovered than probably reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

2022 OUTLOOK

Key objectives for the year include:

1. **Health and Safety:** The company's focus on having safety as an embedded component of everyday operations and zero harm to people and the environment remains foremost in planning and implementing all company and contractor activities. The company works with regulators, other operators, local community businesses, communities, and iwi to maintain safe operations and HSE performance.

2. **Tariki:** The focus of activity at Tariki is planning a new well in the crest of the Tariki structure and advancing gas storage discussions.

3. **Waihapa-Ngaere Production:** Gas lifting is underway. Work has been completed allowing for two additional northern Ngaere wells to be placed on gas lift.

4. **Copper Moki Secondary Recovery Expansion Project**: A reservoir simulation study completed in Q1 2022 has provided technical assurance concerning the beneficial effects of water flood on the ultimate recovery in Copper Moki. Additional water injection is being initiated using well Copper Moki-3. This is in addition to the water flood at Waitapu-2 well.

5. **Eltham PEP 51150:** Reservoir modelling of the Arakamu-2A discovery has proven the benefits of water injection and pressure monitoring is ongoing to determine which wells are in lateral communication. A 4 year appraisal extension has been sought.

6. **Appraisal & Exploration:** Further appraisal and exploration opportunities within the Licences and Permits operated by the Company are being reviewed, updated, and re-evaluated. These opportunities include accessing undeveloped hydrocarbons in the Waihapa-Ngaere and Tariki permits, the development of the overthrust reservoir in Tariki for gas storage and carbon sequestration at Waihapa and Ngaere.

FINANCIAL SNAPSHOT

	Nine months ended 30 September 2022	***Three months ended 30 September 2022***	***Nine months ended 30 September 2021***	***Three months ended 30 September 2021***
	bbl	***bbl***	***bbl***	***bbl***
Production (oil)	20,346	6,963	24,007	7,228
Sales (oil)	19,664	6,450	27,587	8,608
	$/bbl	***$/bbl***	***$/bbl***	***$/bbl***
Price	127.47	116.57	71.89	82.97
Production costs	59.40	62.07	39.97	59.90
Royalties	7.19	7.00	4.40	4.85
Field netback	60.88	47.50	27.51	18.22
	$	**$**	**$**	**$**
Revenue less Royalties	3,572,232	1,120,254	3,650,167	1,214,524
Total comprehensive profit/ (loss)	(384,962)	(318,741)	(628,602)	(385,465)
Net finance expense	354,586	129,851	103,930	22,495
Loss per share – basic and diluted	(0.02)	(0.01)	(0.02)	(0.02)
Current assets	2,900,630		2,497,141	
Total assets	13,227,488		14,298,744	
Total non-current liabilities	7,148,382		8,704,718	
Total liabilities	12,000,908		12,322,796	
Shareholders' equity	1,226,580		1,975,948	

Note: The abbreviation bbl means barrel of oil.

PROPERTY REVIEW AND OUTLOOK

This section reviews activities and developments during the reporting period in respect of the Company's assets (see map following).

The Company produces petroleum from Waihapa and Ngaere wells in the TWN Petroleum Mining Licences and from the Copper Moki wells in the Copper Moki Mining Permit.

TWN Petroleum Mining Licences

Waihapa/Ngaere

The Waihapa Ngaere wells produce oil and gas from the fractured Oligocene Tikorangi Limestone at a depth of ~2700m. The field has been on production since 1988. It has produced up to 18,000 bopd in the past and has produced ~24 mmstb cumulative oil.. Reservoir modelling indicates that there was initially ~44 mmstb Oil-In-Place and after ~24 mmstb cumulative oil production there remains ~20 mmtb Oil-In-Place in the field. The recoverable component of this oil volume was a target of the Enhanced Oil Recovery project which commenced as a staged development in 2017 but has been interrupted due to a failure of the water disposal well at Waihapa-7A and a hole in the Ngaere-1 well 3 months after installation of an ESP. The remaining recoverable oil and how best to produce it is a key management focus.

Tariki

Analysis of the Tariki 3D seismic data is substantially complete. A number of opportunities are being evaluated as a result of this analysis.

a) Tariki formation – gas storage

   The data indicates that up to 15PJ of gas can be stored in the Tariki formation with injection and production at a rate of 25TJ/day from a single well (and up to 75TJ/day from 3 wells). Storage counterparties are being asked to formalise interest in utilization of this facility.

   Tariki formation – gas production

   RPS has provided an independent evaluation confirming there are proved and probable reserves within Tariki. The Tariki Joint Venture is planning a well in the first half of 2023.

b) Tikorangi formation

   The Tikorangi formation from which over 24,000,000 barrels of oil has been produced at Waihapa/Ngaere is present in the Tariki permit. The Tariki-2C well produced over 180,000 barrels of oil from the Tikorangi formation – a fractured limestone. The new seismic data indicates the Tariki-2C well penetrated the Tikorangi formation approximately 200 metres down dip from the crest of the structure. Image log data is being evaluated to gain further insight in respect of the fracture network distribution.

c) Mt Messenger formation

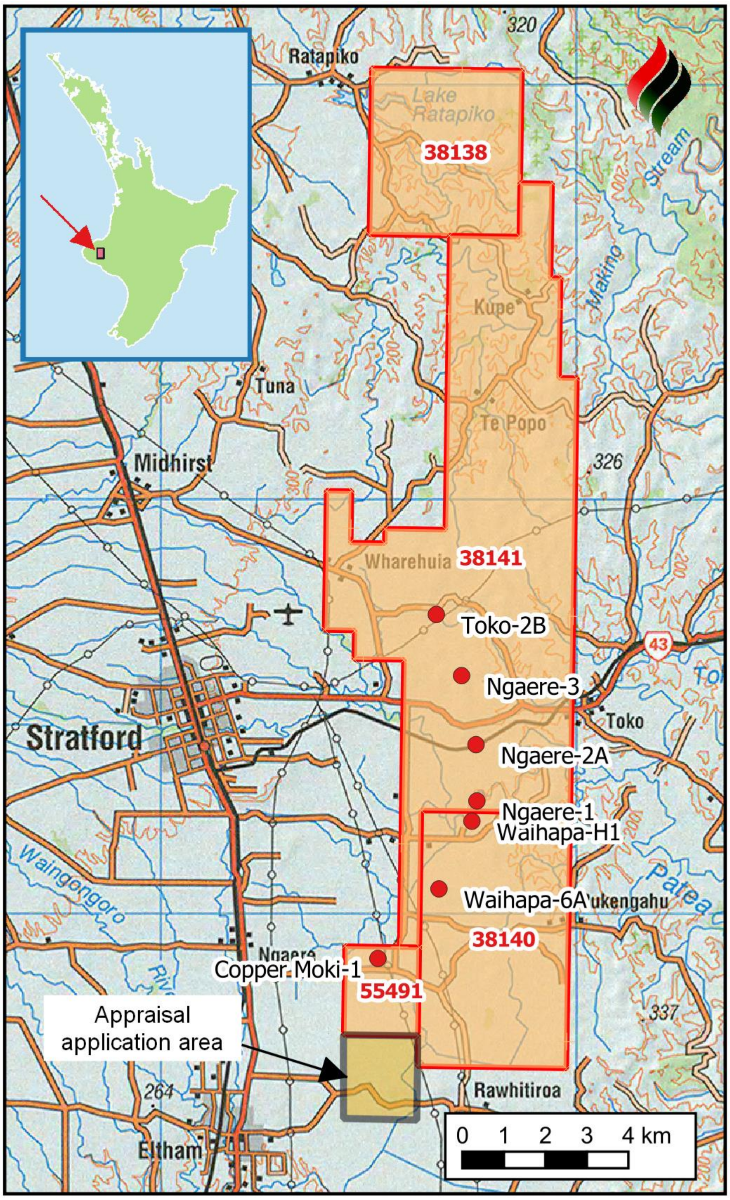
   The 3D seismic data has identified AVO bright spots and anomalies in the Mt Messenger formation. Oil has been produced from the Mt Messenger formation in several fields within the onshore Taranaki Basin, including at Copper Moki. Evaluation of these leads is continuing.

Copper Moki Petroleum Mining Permit

<u>Copper Moki-1:</u> In Q3 2022 production averaged ~25 bopd. <u>Copper Moki-2:</u> In Q3 2022 production averaged ~18 bopd

Copper Moki-2 has been shut in since 30 September 2022 due to failure of the artificial lift pump. Work is underway to remedy.

A reservoir simulation study completed in Q1 2022 has provided technical assurance concerning the beneficial effects of water flood on the ultimate recovery in Copper Moki. Additional water injection is being initiated using well Copper Moki-3. This is in addition to the water flood at Waitapu-2 well.



Eltham Petroleum Exploration Permit

The PEP 51150 Appraisal Extension area includes the 2012 Arakamu-2 discovery well, which produced oil from the Miocene Moki and Mt Messenger Formations when tested in Q1 2013. This well had oil produced to surface and is the target of the Appraisal Extension Work Program.

An application has been lodged to extend the term of this permit to July 2026. If the permit extension is granted work will be undertaken to assess the effects of the water flood at Copper Moki on the Arakamu well.

TWN Midstream Assets

A number of third parties access services for oil, gas and water processing, handling and pipeline throughput and for storage of LPG.

SUMMARY OF QUARTERLY RESULTS

	2022 Q3 $	2022 Q2 $	2022 Q1 $	2021 Q4 $
Total assets	13,227,488	14,380,213	13,847,061	14,995,224
Exploration and evaluation assets	-	-	-	-
Property, plant and equipment	9,962,176	10,534,274	11,802,182	11,901,903
Working capital	(1,951,896)	(1,639,643)	(1,744,129)	(1,562,563)
Revenue less royalty	1,120,254	1,680,944	796,702	1,338,064
Accumulated deficit	(142,690,658)	(142,436,001)	(142,779,068)	(142,658,164)
Total comprehensive income (loss)	(318,741)	32,783	(99,004)	(364,406)
Basic (loss) earnings per share	(0.01)	0.001	(0.004)	(0.02)
Diluted (loss) earnings per share	(0.01)	0.001	(0.004)	(0.02)

	2021 Q3 $	2021 Q2 $	2021 Q1 $	2020 Q4 $
Total assets	14,298,744	13,224,234	12,164,641	13,093,341
Exploration and evaluation assets	-	-	-	-
Property, plant and equipment	11,386,822	10,572,161	9,486,445	10,329,305
Working capital	(1,120,937)	(507,647)	1,143,139	1,197,379
Revenue less royalty	1,256,247	957,037	1,523,491	1,278,973
Accumulated deficit	(142,332,210)	(141,919,813)	(142,067,100)	(141,907,094)
Total comprehensive income (loss)	(385,465)	117,125	(360,262)	225,847
Basic (loss) earnings per share	(0.02)	0.01	(0.02)	0.01
Diluted (loss) earnings per share	(0.02)	0.01	(0.02)	0.01

See "*NZEC's Business", "Property Review & Outlook" and "Results of Operations"*, for the activities to which this summary of quarterly results relates.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2022

This section of the MD&A provides analysis of the Company's operations in respect of the third quarter of 2022 ("Three Month Period") compared to results achieved for the same period in 2021. See *Operating & Financial Highlights* and *Property Review and Outlook* for a summary of the third quarter 2022 operational events and activities.

Production and sales

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
Barrels or BOE	**2022**	**2021**	**2022**	**2021**
Production - Oil	6,963	7,228	20,346	24,007
Sales - Oil	6,450	8,608	19,664	27,587
Sales – Gas (BOE)	965	794	3,329	2,717
TOTAL Production (BOE)	7,928	8,022	23,675	26,725

Production is lower than achieved in 2021. This is the result of lower production in Copper Moki.

Revenues

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Oil Sales	751,895	714,234	2,506,602	1,983,098
Gas Sales	4,315	13,011	21,785	45,148
Processing Revenue	383,759	232,350	1,105,169	755,066
Other Revenue	25,462	41,872	80,145	110,356
Purchased oil sold	-	254,780	-	877,939
Royalty	(45,177)	(41,723)	(141,469)	(121,440)
Oil sales per bbl	116.57	82.97	127.47	71.89

Note. In relation to Oil Sales, revenue is derived from oil sales volume, oil price and exchange rate. The realised price per barrel is based on the Brent crude oil price less contractual discounts and exchange rate.

Processing Revenue: Revenue is higher as result of an increase in water disposal services. This was offset by the cessation of gas boosting services midway through Q3. Opportunities for increasing processing revenue are being pursued, including providing water disposal services for various other third parties

Other Revenue – relates mainly to LPG storage

Purchased oil sold: The Company had an arrangement with a third party whereby the Company purchased oil, charged a processing fee and subsequently sold the oil. Any unsold oil was carried as inventory. This arrangement has ceased.

Royalty: Royalties paid are based on an ad valorem Crown royalty of 5% for Copper Moki and 10% (less allowable costs) for the TWN Licences. In addition, for the TWN Licences, there was a 9% overriding royalty payable.. The Company was released from this royalty obligation in 2021.

Production costs

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Production costs	400,373	515,654	1,168,083	1,102,753
Production cost per bbl	62.07	59.90	59.40	39.97

The increase in production costs are attributable to an increase in costs related to gas lift to realise increased production and stock being valued higher as the value moved from net realisable value to cost.

Processing costs

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Processing costs	294,610	301,905	720,011	556,358

Depreciation and depletion

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Depreciation and depletion	80,107	103,361	314,579	406,387

Depletion on oil and gas assets is calculated using the unit-of-production method i.e the ratio of production during the respective periods to the total proved and probable reserves of oil and natural gas.

General and Administrative Expenses

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
General and administrative expense	536,949	396,547	1,332,051	1,285,113

See further breakdown in *Unaudited Condensed Consolidated Financial Statements - Note 13, General and Administrative Expenses.*

Finance Expense

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Accretion	79,440	22,495	204,997	103,930
Loan interest accrued	50,411	-	149,589	-
Total Finance expense	**129,881**	**22,495**	**354,586**	**103,930**

Accretion reflects the expense associated with asset retirement obligations. Higher interest cost, relate to accrual of interest on convertible loan. See *Unaudited Condensed Consolidated Financial Statements - Note 8, Asset Retirement Obligations and note 10 Convertible Loan,* for more information.

Abandonment Provision movement

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Abandonment provision movement	(51,534)	14,641	(266,958)	(264,741)

Abandonment provision movement arises from the change in estimate for abandonment of wells which have previously been fully impaired as a result of changes to the inflation assumption and discount rate.

Exchange Difference on Translation of Foreign Currency

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Exchange Difference – gain / (loss)	15,445	17,538	17,626	7,544
Exchange rate at beginning of period	0.8012	0.8675	0.8704	0.9212
Exchange rate at end of period	0.7842	0.8760	0.7842	0.8760

Exchange differences arise from the translation of foreign operations and monetary items (largely based in NZD).

The NZD exchange rate has weakened against the CAD over the three month period to 30 September 2022.

PETROLEUM PROPERTY ACTIVITIES, OPERATIONS AND CAPITAL EXPENDITURES

Capital Expenditure
The Company recognised the following additions in Oil and Gas assets during the three and nine month Periods:

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
TWN Assets	87,002	12,716	294,927	280,841
Tariki	79,456	617,709	288,231	2,142,822
TOTAL	**166,458**	**630,425**	**583,158**	**2,423,663**

Tariki relates to processing expenditure in 2022 incurred for the 3D Seismic survey acquired in 2021, and TWN relates to the implementation of surface equipment to derive lower operating costs and associated expenditure.

COMMITMENTS

See details provided in *Unaudited Condensed Consolidated Financial Statements - Note 16, Commitments*.

PERMIT EXPENDITURE PLANS

See details provided in *Unaudited Condensed Consolidated Financial Statements - Note 17, Permit Expenditure Plans*.

LIQUIDITY AND CAPITAL RESOURCES

	30 September 2022	31 December 2021
	$	**$**
Cash and cash equivalents	462,976	463,272
Working capital	(1,951,896)	(1,562,563)

The Company is pursuing a number of options to improve its financial capacity, including cash flow from oil and gas production, water disposal, credit facilities, commercial arrangements or other financing alternatives to enable it to undertake operations required to further exploit the permits and licences it holds, with the objective of increasing petroleum production. Its ability to improve its financial capacity including its ability to maintain financing facilities it has in place and the relative success of, and cash flow generated from, operations including the production achieved and the oil price obtained cannot be assured. See the *Unaudited Condensed Consolidated Financial Statements - Note 1, Going Concern*.

CASH FLOW

	30 September 2022	30 September 2021
Cash provided by / (used in)	**$**	**$**
Operating activities	611,940	(50,696)
Investing activities	(583,158)	(2,423,663)
Financing activities	-	2,000,000

Net Loss for the nine-month period was $32,494 (2021: Loss: $425,116). The more significant non-cash items included during the period were $669,165 in depreciation, depletion and accretion (2021: $532,467) and a change in working capital items of $259,853 (2021: $99,150).

Investing activities were for the purchase of oil and gas properties.

RELATED PARTY TRANSACTIONS

See details provided in *Unaudited Condensed Consolidated Financial Statements - Note 14, Related Party Transactions*.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CHANGE OF ACCOUNTING POLICY and ADOPTION OF NEW OR REVISED IFRSs

The Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended 31 December 2021, refer *Unaudited Condensed Consolidated Financial Statements - Note 2, Summary of Significant Accounting Policies*.

NON-IFRS DISCLOSURES

NZEC uses certain terms for measurement within this MD&A which do not have standardized meanings prescribed by IFRS, and these measurements may differ from other companies' and accordingly may not be comparable to measures used by other companies. The term "field netback" is not a recognized measure under the applicable IFRSs. Management of the Company believes the measure is useful to provide shareholders and potential investors with additional information, in addition to profit and loss and cash flow from operating activities as defined by IFRS, for evaluating the Company's operating performance. Field netback is reconciled as follows to the Company's Consolidated Financial statements for the Three Month and Nine Month periods ended 30 September 2022 and 2021:

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Net Revenue				
Oil sales	751,895	714,234	2,506,602	1,983,098
Royalties	(45,177)	(41,723)	(141,469)	(121,440)
Production Costs	(400,373)	(515,654)	(1,168,083)	(1,102,753)
Sub-total net revenue (a)	306,345	156,857	1,197,050	758,904
Barrels of Oil sold (b)	6,450	8,608	19,664	27,587
Field Netback [(a)/(b)] $/bbl	**47.50**	**18.22**	**60.88**	**27.51**

SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of voting common shares. As at 30 September 2022, the Company had 23,212,346 common shares outstanding.

On 21 June 2021, the company consolidated its shares on a 10:1 basis. Earnings per share has been retrospectively adjusted to ensure comparability.

As of the date of this MD&A, the Company's share capitalization included 23,212,346 common shares, nil warrants and nil share options, the balance of warrants and share options having expired on 24 June 2020.

RISK FACTORS

Natural resources exploration and development involves a number of risks and uncertainties, many of which are beyond management's control. The Company's business is subject to the risks normally encountered in the oil and natural gas industry such as the marketability of, and prices for, oil and natural gas, competition with companies having greater resources, acquisition, exploration and production risks, need for capital, fluctuations in the market price and demand for oil and natural gas, the regulation of the oil and natural gas industry by various levels of government and public protests. The success of further development and exploration projects cannot be assured. In addition, the Company's operations are outside of Canada and are subject to risks arising from foreign exchange and foreign regulatory regimes. The Company works to mitigate these risks through such mechanisms as its project and opportunity evaluation processes, engagement with joint venture parties and employing appropriately skilled staff. In addition, insurance policies, consistent with industry practice, are maintained to protect against loss of assets, well blowouts and third party liability. The Company is committed to operating in accordance with all applicable laws and regulations, safely and with due regard to the environment.

FORWARD-LOOKING INFORMATION

This document contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). The use of any of the words "will", "objective", "plan", "seek", "expect", "potential", "pursue", "subject to", "can", "could", "hopeful", "contingent", "anticipate", "look forward", and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause actual results or events to differ materially from those anticipated in such forward-looking statements. 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 these expectations will prove to be correct.

This document contains forward-looking statements and assumptions pertaining to the following: business strategy, strength and focus; the granting of regulatory approvals; the timing for receipt of regulatory approvals; geological and engineering estimates relating to the resource potential of the properties; the estimated quantity and quality of the Company's oil and natural gas resources; supply and demand for oil and natural gas and the Company's ability to market crude oil and natural gas; expectations regarding the Company's ability to continually add to reserves and resources through acquisitions and development; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the Company's ability to raise capital on appropriate terms, or at all; the ability of the Company's subsidiaries to obtain mining permits and access rights in respect of land and resource and environmental consents; the recoverability of the Company's crude oil, natural gas reserves and resources; and future capital expenditures to be made by the Company.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in the document, such as the speculative nature of exploration, appraisal and development of oil and natural gas properties; uncertainties associated with estimating oil and natural gas resources; changes in the cost of operations, including costs of extracting and delivering oil and natural gas to market, affecting the potential profitability of oil and natural gas exploration; operating hazards and risks inherent in oil and natural gas operations; volatility in market prices for oil and natural gas; market conditions which prevent the Company from raising the funds necessary for exploration and development on acceptable terms or at all; global financial market events which 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. Readers are cautioned the foregoing list of factors is not exhaustive.

Statements relating to "reserves and resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources described can be profitably produced in the future. This document includes references to management's forecasts of future development, probability of success, production and cash flows from such operations, which represent management's best estimates at the time. 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 contained in this document, except in accordance with applicable securities laws.

CAUTIONARY NOTE REGARDING RESERVE & RESOURCE ESTIMATES

The oil and gas reserves calculations and income projections were estimated in accordance with the Canadian Oil and Gas Evaluation Handbook ("COGEH") and National Instrument 51-101 ("NI 51-101"). The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf: one bbl was used by NZEC. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable.

Reserves are classified according to the degree of certainty associated with the estimates. Proved Reserves are those reserves which can be estimated with a high degree of certainty to be recoverable. It is likely the actual remaining quantities recovered will exceed the estimated proved reserves. Probable Reserves are those additional reserves which are less certain to be recovered than proved reserves. It is equally likely the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Revenue projections presented are based in part on forecasts of market prices, current exchange rates, inflation, market demand and government policy which are subject to uncertainties and may in future differ materially from the forecasts above. Present values of future net revenues do not necessarily represent the fair market value of the reserves evaluated. The report also contains forward-looking statements including expectations of future production and capital expenditures. Information concerning reserves may also be deemed to be forward looking as estimates imply the reserves described can be profitably produced in the future. These statements are based on current expectations which involve a number of risks and uncertainties, which could cause the actual results to differ from those anticipated. Contingent resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. Prospective resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from undiscovered accumulations. The resources reported are estimates only and there is no certainty any portion of the reported resources will be discovered and, if discovered, will be economically viable or technically feasible to produce.