new zealand
ENERGY CORP

Second Quarter 2024

Condensed Consolidated Interim Financial Statements

30 June 2024

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of New Zealand Energy Corp. ("the Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for the review of condensed consolidated interim financial statements by an entity's auditor.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
(Expressed in Canadian Dollars)

	Notes	30 June 2024 $	31 December 2023 $
Assets			
Current			
Cash	3	3,800,130	1,180,393
Accounts and other receivables	4	435,685	445,215
Prepaid expenses		184,102	80,835
Inventories	5	535,932	625,346
Total current assets		**4,955,849**	**2,331,789**
Non-Current			
Inventories	5	271,142	273,580
Property, plant and equipment	6	12,725,180	12,519,607
Intangible Assets	7	142,390	144,499
Total non-current assets		**13,138,712**	**12,937,686**
Total assets		**18,094,561**	**15,269,475**
Liabilities			
Current			
Trade and other Payables	9	1,457,124	1,292,835
Right of Use Liability	9	20,005	20,284
Total current liabilities		**1,477,129**	**1,313,119**
Non-Current			
Asset retirement obligation	8	7,726,693	7,852,942
Convertible Loan		2,587,422	2,487,696
Right of Use Liability		20,715	20,715
Total liabilities		**11,811,959**	**11,674,472**
Shareholders' equity			
Share capital	11	116,746,318	111,957,756
Accumulated deficit		(110,463,716)	(108,362,753)
Total shareholders' equity		**6,282,602**	**3,595,003**
Total liabilities and shareholders' equity		**18,094,561**	**15,269,475**

Description of business and going concern (Note 1)

These unaudited condensed consolidated financial statements are authorized for issuance by the Board of Directors on 29 August 2024.

On behalf of the Board of Directors

"James Willis"
James Willis, Director

"Michael Adams"
Michael Adams, Director

See accompanying notes to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 30 June 2024 and 2023
(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Share based payments reserve (options)	Share based payments reserve (warrants)	Foreign currency translation reserve	Accumulated deficit	Total equity
Balance, 1 January 2023	23,212,346	109,738,706	21,289,710	1,349,289	11,944,910	(140,870,733)	3,451,882
Net income for the period	-	-	-	-	-	(1,074,386)	(1,074,386)
Other comprehensive loss for the period	-	-	-	-	(310,699)	-	(310,699)
Balance, 30 June 2023	**23,212,346**	**109,738,706**	**21,289,710**	**1,349,289**	**11,634,211**	**(141,945,119)**	**2,066,797**
Balance, 1 January 2024	8,321,235	111,957,756	21,289,710	1,349,289	11,807,694	(142,809,446)	3,595,003
Private Placement	6,666,667	4,788,562	-	-	-	-	4,788,562
Net loss for the period	-	-	-	-	-	(2,145,546)	(2,145,546)
Other comprehensive loss for the period	-	-	-	-	44,583	-	44,583
Balance, 30 June 2024	**14,987,902**	**116,746,318**	**21,289,710**	**1,349,289**	**11,852,277**	**(144,954,992)**	**6,282,602**

See accompanying notes to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
For the six month periods ended 30 June 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 $	2023 $	2024 $	2023 $
Revenues					
Revenue	12	311,485	518,146	639,105	1,259,490
Royalties		(9,949)	(15,178)	(21,355)	(33,876)
		301,536	502,968	617,750	1,225,614
Expenses and other items					
Production costs		287,246	414,880	404,791	676,866
Processing costs		368,376	209,417	518,352	451,211
Depreciation and depletion	6,7	76,784	102,410	152,521	207,678
General and administrative	13	832,819	349,804	1,398,054	679,559
Finance expense		135,716	135,966	263,005	263,108
Foreign exchange (gain)/loss		74,382	(2,898)	42,450	2,430
Abandonment provision movement		(82,433)	(23,501)	(15,967)	19,148
		1,692,890	1,186,078	2,763,296	2,300,000
Net Profit/(loss)		**(1,391,354)**	**(683,110)**	**(2,145,546)**	**(1,074,386)**
Other comprehensive loss:					
Exchange difference on translation of foreign currency (i)		205,310	(248,475)	44,583	(310,699)
Total comprehensive income/(loss)		**(1,186,044)**	**(931,585)**	**(2,100,963)**	**(1,385,085)**
Basic and diluted loss per share		$ (0.08)	$ (0.40)	$ (0.14)	$ (0.60)
Weighted average shares outstanding		14,987,902	2,321,235	14,987,902	2,321,235

(i) Exchange difference on translation of foreign currency may be subsequently reclassified to profit or loss.

See accompanying notes to the unaudited condensed consolidated interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month periods ended 30 June 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	Six months ended 30 June	
		2024	**2023**
		$	**$**
Operating activities			
Net Profit/(loss) for the period		(2,145,546)	(1,074,386)
Changes for non-cash operating items			
Depreciation and depletion		152,521	207,678
Accretion and accrued interest		263,005	263,108
Abandonment provision movement		(15,967)	19,148
Foreign exchange (gain) / loss		42,540	2,430
Change in working capital items			
Accounts and other receivables		123,678	489,912
Prepaid expenses		(103,267)	(8,564)
Inventories		91,851	132,371
Accounts payable and accrued liabilities		50,140	(323,815)
Cash provided by (used in) operating activities		**(1,541,045)**	**(292,118)**
Investing activities			
Purchase of oil and gas properties		(649,297)	(14,068)
Purchase of property, plant and equipment		(9,432)	(17,862)
Cash provided by (used in) investing activities		**(685,729)**	**(31,930)**
Financing activities			
Private placement		4,788,562	-
Cash provided by (used in) financing activities		**4,788,562**	-
Net increase (decrease) in cash		**2,588,788**	**(324,048)**
Effect of exchange rate changes on cash		30,949	(2,038)
Cash, beginning of the period		1,180,393	527,611
Cash and equivalents, end of the period		**3,800,130**	**201,525**

See accompanying notes to the unaudited condensed consolidated interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2024
(Expressed in Canadian Dollars)

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

New Zealand Energy Corp. (the "Company") commenced operations on 19 April 2010 through wholly-owned subsidiary, East Coast Energy Ventures Limited. The Company was subsequently incorporated on 29 October 2010 under the name 0894134 B.C. Ltd. Pursuant to the *Business Corporation Act* (British Columbia). On 10 November 2010, 0894134 B.C. Ltd. Changed its name to New Zealand Energy Corp.

The Company, through its subsidiaries, is engaged in the exploration, appraisal, development and production of oil and natural gas, as well as the operation of midstream assets, in New Zealand.

The Company's registered and records office is located at Suite 2700, 1133 Melville Street, Vancouver BC V6E 4E5. The Company's principal place of business is 11 Young Street, New Plymouth, New Zealand 4312.

The Company's shares are listed on the TSX Venture Exchange under the symbol "NZ".

Going Concern

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. Material uncertainty exists related to certain conditions that may cast significant doubt on the validity of this assumption. For the six months ended 30 June 2024, the Group reported a Net Loss of $2,145,546 (2023: Loss $1,074,386) and a cash outflow from operating activities of $1,541,045 (2023: Outflow $292,118). The Group has working capital (total current assets less total current liabilities) of $3,478,720 (2023:Deficit $2,670,509).

In addition, the Group also has several permit expenditure plans (Note 17) which are associated with the Group's interest in its oil and gas properties and exploration and evaluation assets which requires expenditure to fulfil specified work programmes – as explained in Note 17 the group has some flexibility in the timing of the required expenditure and would seek to defer costs where funding is not available.

The Group is advancing plans to initiate a gas storage project and discussions with potential storage users are ongoing. An independent assessment of the economically recoverable reserves at Tariki states the proven plus probable (2P) reserves (NZEC share) exceed 6.5PJ.

The Group undertook a private placement in December 2023 and raised $2,280,000. The Group undertook another private placement in March 2024, the placement has now closed with $5,000,000 worth of shares subscribed and approved by the TSXV in May 2024.

The Group has a convertible note debt of $2,000,000 plus accumulated interest which it intends to pay by a variety of means, but primarily by realising the value of the hydrocarbon discovery in the Tariki field. The directors have confidence in the ability of the Group to obtain the funds needed or to refinance the loan given the reserves available to the group.

After taking into account all of the relevant factors above, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies specific to certain balances are described within the detailed note in the sections below.

General accounting policies adhered to in these financial statements are as follows:

Basis of Preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS as issued by the IASB and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The Company has used the same accounting policies and methods of computation as in the audited annual consolidated financial statements for the year ended 31 December 2023.

(Expressed in Canadian Dollars)

3. CASH AND CASH EQUIVALENTS AND REVOLVING CREDIT FACILITY

	30 June 2024 $	31 December 2023 $
Cash and cash equivalents	**3,800,130**	1,180,393

4. ACCOUNTS AND OTHER RECEIVABLES

	30 June 2024 $	31 December 2023 $
Accounts and other receivables	**435,685**	**445,215**

5. INVENTORIES

	30 June 2024 $	31 December 2023 $
Current		
Material and supplies	171,923	178,149
Oil inventories	364,009	447,197
	535,932	**625,346**
Non Current		
Non-current material and supplies	395,243	398,531
Less write down provision to NRV	(124,101)	(124,951)
	271,142	**273,580**
Write down provision to NRV		
Opening Balance	(124,951)	(241,347)
Movement in provision recognised as expense	850	60,932
Provision reversed on material and supplies sold	-	55,464
Closing Balance	**(124,101)**	**(124,951)**

(Expressed in Canadian Dollars)

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixture	Land and building	Plant and equipment	Oil and gas properties	Total
	$	$	$	$	$
Cost					
Balance, 1 January 2023	**67,684**	**1,307,301**	**3,824,453**	**26,368,663**	**31,568,101**
Additions	-	33,295	17,687	102,849	153,831
Disposals	-	-	-	-	-
Impairment Reversal	-	-	-	-	-
Change in asset retirement cost due to change in estimate	-	-	(63,667)	(198,061)	(261,728)
Foreign currency translation adjustment	(1,584)	(30,146)	(148,997)	(559,624)	(740,351)
Balance, 31 December 2023	**66,100**	**1,310,450**	**3,629,476**	**25,713,827**	**30,719,853**
Additions	-	-	9,433	649,297	658,730
Disposal	-	-	-	-	-
Change in asset retirement cost due to change in estimate	-	-	(33,270)	(160,242)	(193,512)
Foreign currency translation adjustment	(449)	(722)	(24,902)	(196,198)	(222,271)
Balance, 30 June 2024	**65,651**	**1,309,728**	**3,580,737**	**26,006,684**	**30,962,800**

	Furniture and fixture	Land and building	Plant and equipment	Oil and gas properties	Total
	$	$	$	$	$
Accumulated depreciation					
Balance, 1 January 2023	**1,223**	**-**	**1,628,823**	**16,621,125**	**18,251,171**
Depreciation and depletion	2,572	-	221,462	153,592	377,626
Disposals	-	-	-	-	-
Foreign currency translation adjustment	6	-	(35,168)	(393,399)	(428,551)
Balance, 31 December 2023	**3,801**	**-**	**1,815,117**	**16,381,328**	**18,200,246**
Depreciation and depletion	3,247	-	109,316	38,842	151,405
Foreign currency translation adjustment	6	-	(11,293)	(102,744)	(114,031)
Balance, 30 June 2024	**7,054**	**-**	**1,913,140**	**16,317,426**	**18,237,620**
Net Book Value					
Balance, 31 December 2023	62,299	1,310,450	1,814,359	9,332,499	12,519,607
Balance, 30 June 2024	**58,597**	**1,309,728**	**1,667,597**	**9,689,258**	**12,725,180**

Right of Use Assets

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(Expressed in Canadian Dollars)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Included in oil and gas properties a reconciliation of

Right of use assets

Opening Balance 1 January	40,240	-
Additions	-	41,990
Amortisation	-	(1,750)
Foreign currency translation adjustment	(273)	-
Closing Balance 31 December	**39,967**	40,240

The right of use liability with respect to the right of use assets was $40,719 at the end of year (2023: $40,999)

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

	Intangible Assets $
Cost	
Balance, 1 January 2023	**154,090**
Additions	-
Disposals	-
Foreign currency translation adjustment	(3,607)
Balance, 31 December 2023	**150,483**
Additions	-
Disposals	-
Foreign currency translation adjustment	(1,023)
Balance, 30 June 2024	**149,460**

	Intangible Assets $
Accumulated Amortisation	
Balance, 1 January 2023	**3,538**
Amortisation	2,495
Disposals	-
Foreign currency translation adjustment	(49)
Balance, 31 December 2023	**5,984**
Amortisation	1,116
Disposals	-
Foreign currency translation adjustment	(30)
Balance, 30 June 2024	**7,070**
Net Book Value	
Balance, 31 December 2023	**144,499**
Balance, 30 June 2024	**142,390**

Intangible assets relate to the extinguishing of an overriding royalty during the 2021 year.

Intangible assets acquired separately are measured on initial recognition at costs and are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation of the intangible assets is based on the unit-of-production method by reference to the ratio of production in the year to the related total proved and probable reserves of oil and natural gas.

Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset is included in the statement of profit or loss

(Expressed in Canadian Dollars)

8. ASSET RETIREMENT OBLIGATIONS

The Group's asset retirement obligations are estimated based on the costs to abandon and reclaim its wells in certain licences and permits and restoration obligations associated with the land at the Waihapa Production Station together with the estimated timing of the costs to be paid in future periods. The estimated expected life of the long-lived assets is the later of the permit life or economic life based on proved and probable reserves.

Non-Current	**30 June 2024 $**	**31 December 2023 $**
Opening Balance 1 January	**7,852,942**	8,269,574
Change in estimate	(259,083)	(598,478)
Accretion expense for the year	186,912	378,858
Reclassified as current	-	-
Foreign currency translation adjustment	(54,078)	(197,012)
Closing Balance	**7,726,693**	**7,852,942**

Current		
Opening Balance 1 January	**-**	**-**
Change in estimate	-	-
Reclassified from non-current	-	-
Provision reversal for completed abandonment	-	-
Foreign currency translation adjustment	-	-
Closing Balance 31 December	**-**	**-**

Assumptions		
Total undiscounted value of payments	$12,774,970	$12,871,712
Discount rate	4.66% to 5.30%	4.39% to 4.59%
Inflation rate	2.46%	2.13%
Expected life	2 to 13 years	2 to 13 years

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Note	**30 June 2024 $**	**31 December 2023 $**
Trade payables		1,158,538	964,800
GST payable/(receivable)		(47,594)	(3,502)
Deferred Revenue		249,885	251,595
Accrued liabilities - payroll		96,295	79,942
Accounts payable and accrued liabilities		**1,457,124**	**1,292,835**

(Expressed in Canadian Dollars)

10. CONVERTIBLE LOAN

	Note	30 June 2024 $	31 December 2023 $
Convertible Loan		**2,587,422**	**2,487,696**

The company drew down CAD 2,000,000 under the convertible loan agreement it entered into with Arizona Finance Limited (“Arizona”). The maximum number of common shares issuable if Arizona elects to convert the entire principal amount of the loan will be 666,667 shares, at an exercise price of $3 per share (following a share consolidation) Any common shares issued to Arizona upon conversion of the principal amount under the loan agreement were subject to a hold period that expired on November 21, 2021. Interest of CAD 487,696 has been accrued to date. Interest at 10% per annum is payable on the loan and has been added to the outstanding loan balance as at 31 December 2023. The loan was originally repayable on the 16 August 2022 if the loan was not converted to shares. A number of extensions of the loan have been approved. The revised payment date is now 20 July 2025. At 31 December the share price is trading below the conversion price of $3 and no value has been attributed to the option for the holder to convert the debt to equity. Accordingly, the full value of the convertible note is shown as debt.

11. SHARE CAPITAL

Pursuant to the Company’s share option plan, non-transferable options to purchase common shares must not exceed 10% of the number of then outstanding common shares, or 1,498,790 options, based on the total issued and outstanding common shares as at 30 June 2024. Such options can be exercisable for a maximum of five years from the date of grant. The exercise price of each share option is set by the Board of Directors at the time of grant but cannot be less than the market price at the time of grant. Vesting of share options is at the discretion of the Board of Directors at the time the options are granted.

1,400,000 options were granted as at 30 Jun 2024 (2023:Nil).

12. REVENUE

	Note	Three months ended 30 June 2024 $	Three months ended 30 June 2023 $	Six months ended 30 June 2024 $	Six months ended 30 June 2023 $
Oil sales		126,762	254,147	302,244	632,818
Gas sales		-	-	-	-
Processing revenue		154,567	210,417	274,444	545,005
Interest income		6,205	-	14,735	-
Other revenue	a)	23,951	53,582	47,682	81,667
		311,485	**518,146**	**639,105**	**1,259,490**
Total Revenue		**311,485**	**518,146**	**639,105**	**1,259,490**

a) The Group has provided services to a third party, that have been performed through a combination of work by employees and subcontracted companies. NZEC has used judgement and concluded it is the principal party, as it has the performance obligation to the customer, and has discretion in establishing pricing with the customer.

(Expressed in Canadian Dollars)

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	$	$	$	$
Professional fees	120,739	70,548	232,416	143,910
Consulting fees	58,068	2,899	58,068	34,898
Travel and promotion	21,330	1,210	38,578	3,180
Administrative expenses	104,893	21,111	161,851	33,254
Rent	9,832	2,342	18,743	4,889
Leases	(5,781)	2,580	4,139	5,275
Filing and transfer agent fees	8,858	7,052	25,825	14,038
Insurance	98,530	33,168	98,530	13,507
Salaries	416,350	208,894	759,904	426,608
	832,819	**349,804**	**1,398,054**	**679,559**

14. RELATED PARTY TRANSACTIONS

Entities associated (by virtue of there being a common director) in 2023 with the Company include Greymouth Petroleum Limited, Tiger Drilling Company (NZ) Ltd, GMP Environmental Ltd and Greymouth Gas Taranaki Ltd. A common director controls the previously named companies, The common director of the above companies resigned in December 2023. Additional companies for 2023 and 2024 include Vliet Techniek B.V. The following transactions and balances with the current related parties are:

	Note	Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
		$	$	$	$
Processing revenue		-	28,425	-	78,486
Production costs		-	90,874	-	211,387
General and administrative expenses		108,362	-	208,721	107,959
Processing costs		-	7,341	-	13,381
Trade receivables		-	6,995	-	6,995
Trade payables		36,178	448,749	36,178	448,749
Oil & Gas properties expenditure		-	-	-	1,659

Key Management and Personnel Compensation

The key management personnel include the directors and other officers of the Company. Key management compensation consists of the following:

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	$	$	$	$
Salaries and consulting fees	202,208	70,980	400,090	140,984
Included in the above amounts are:				
Upstream Consulting Ltd (James Willis)	22,908	29,932	66,506	57,613
Arenig Energy Ltd (David Llewellyn)	-	2,870	-	6,016
Vliet Techniek BV, Jacobs Dutch Holdings BV (Frank Jacobs)	59,117	-	119,712	-
2X Energy Limited (Michael Adams)	72,603	-	122,923	-

(Expressed in Canadian Dollars)

15. SEGMENTED DISCLOSURES

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Chief Executive Officer.

The Group conducts its business as a single operating segment being the acquisition, exploration, appraisal, development and production of conventional oil and natural gas resources in New Zealand. The Group's geographic area for all assets, liabilities and revenues is New Zealand.

16. COMMITMENTS

As at 30 June 2024, the Group had the following undiscounted contractual obligations:

	2024 $	2025 and onwards $	Total $
Contract and purchase commitments	220,000	440,000	660,000
	220,000	**440,000**	**660,000**

Contract commitments relate mostly to future lease payment commitments to landowners on which permits lie

Bank Guarantees
Bonds provided to the Crown in respect of the Tariki, Waihapa and Ngaere petroleum mining licences are secured by bank guarantees provided by Bank of New Zealand (NZ$375,000).

These bank guarantees are secured by way of a general security agreement over the present and after acquired assets of Taranaki Ventures Limited (TVL) with NZEC subsidiaries NZEC Holdings Limited, NZEC Tariki Limited, NZEC Waihapa Limited and NZEC Management Limited guaranteeing the obligations of TVL under the facility.

17. PERMIT EXPENDITURE PLANS

The Group undertakes oil and gas production, development and exploration activities and has plans to complete certain exploration activities. Certain permits and licences held by the Group require various work obligations to be performed in order to maintain the permits or licences in good standing. The Group and, where relevant, its co-venturers in a permit, may apply to alter the exploration programs, request extensions, reject development costs, relinquish certain permits or farm out an interest in permits. The permit expenditure plans include those required to maintain its permits in good standing during the current permit term, prior to the Group committing to the next stage of the permit term, where additional expenditure would be required.

Maintaining the permits in good standing during the permit term is based on the fulfilment of the work program and is not based on a specific expenditure level. The anticipated cost of the works planned are set out below and relate to the following permits/licences (in the Taranaki Basin):

Permit/Licence	Note	Type	2024 $	2025 and onwards $	Total $
Eltham Permit		Exploration	-	-	-
Copper Moki	i	Producing	210,000	-	210,000
Tariki Licence	ii	Producing	3,780,000	-	3,780,000
Waihapa Ngaere Licence	iii	Producing	360,000	-	360,000
			4,350,000	**-**	**4,350,000**

i. Copper Moki costs to bring back to production.
ii. Drill Tariki Well and facilities
iii. Waihapa Ngaere: costs to increase production

18. SUBSEQUENT EVENTS

There have been no subsequent events.