



Management's Discussion and Analysis

Nine Months Ended 30 September 2024

(Expressed in Canadian Dollars)

Management's Discussion & Analysis

This Management's Discussion and Analysis ("MD&A") is dated 28 November 2024, for the quarter ended 30 September 2024. It should be read in conjunction with the Unaudited Condensed Consolidated Financial statements for the quarter ended 30 September 2024 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 Group") is engaged in the production and appraisal of, and exploration for, oil and natural gas, as well as the operation of midstream assets, in New Zealand. The Group's assets are located on New Zealand's North Island in the Taranaki Basin, New Zealand's only commercial oil and gas producing region.

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") holds the remaining 50%.

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

NZEC also 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 including, 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:** Five incidents occurred in this quarter, none resulting in any harm. Three incidents were associated with the annual Waihapa Production Station PECPR shutdown conducted in July. Two of the incidents were classed as Notifiable to WorkSafe. The incidents were two (2) Pressure Safety Valves lifting at higher pressures than set during the "as found" process of servicing the valves. The 3rd incident was an operator grazed his shin on scaffolding while walking around the scaffolded vessels during the shutdown. The fourth incident in July was a battery on the standby generator had an internal short while attempting to start which caused the battery to become damaged. The fifth incident of the quarter occurred in August and was a pin hole leak on a drain line off the A train header.
The volume of work at Waihapa increased over the quarter due to the PECPR vessel inspections in July and the commencement of Direct Assessments and Hydrotesting of pipelines as part of the pipeline integrity plan. The Tariki A Well site also saw mobilisation of the Webster Rig Nova 1 and the Tariki 5 well was spudded 30th September.
- 2. Copper Moki-1:** Copper Moki-1 has been shut in since 30 April 2023 due to a failure of the equipment supporting the artificial lift pump. A well intervention to remove the existing failed pump and rods was attempted in June 2024 and was unsuccessful. This means that removal of the production tubing will be required to remove the pump and planning for this activity in late early 2025 has commenced.
- 3. Copper Moki-2:** Copper Moki-2 has been shut in since 30 September 2022 due to a failure of the artificial lift pump. A remediation plan has been prepared and work commenced in late May 2024. A well intervention to attempt a low-cost return to production was carried out in May and June 2024 and was unable to be completed due to a leak identified in the existing tubing. This requires the tubing to be removed which was beyond the scope of the planned activity. A further well intervention to include this is being planned for later in early 2025.
- 4. Waihapa Production Station Low OPEX Mode:** Operations through Q3 focussed primarily on third-party oil, gas and water handling services.

Management's Discussion & Analysis

5. **Waihapa-Ngaere Production:** The average rate (NZE share) for Q3 2024 was 15 bopd (100% oil). This was a decrease from the 18 bopd NZE share (100% oil) in Q2 2024. At quarter end the Waihapa and Ngaere Fields were producing 15 bopd. See "2024 Outlook" and "Property Review and Outlook".
6. **Production:** Aggregate production for Q2 2024 was 1,395 boe (100% oil) (average 15 boe per day); compared to Q2 2023 when production was 1,648 boe (100% oil) (average 18 boe per day).
7. **Sales (oil):** Oil sales for Q3 2024 of 823 bbl realised \$79,926 (with an average oil sale price of \$97.12 per bbl) compared to the Q2 2024 sales of 1,416 bbl which realised \$126,762 (with an average oil sale price of \$89.55 per bbl). Lower sales are a result of lower production.
8. **Processing revenue:** The TWN Assets (NZE share) generated \$145,065 from processing fees for Q3, compared to \$154,567 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:** Planning & logistics for drilling the Tariki-5 gas development well continued through the quarter and the well commenced drilling on 30th September. In parallel, work is also advanced to ensure that the well can be placed on production within a month of drilling being completed. As was announced on July 26, 2024, the Tariki Joint Venture has agreed to sell to Genesis Energy Ltd, 2 petajoules of gas, i.e., approximately 1.8bcf to be produced from the Tariki-5 well. The Tariki JV has also agreed that, for a period of 12 months after Tariki-5 well has been drilled and evaluated, to work exclusively with Genesis to negotiate the terms and conditions for the use of the Tariki Gas field for gas storage. In consideration for granting the exclusive right described above, Genesis has agreed to pay, and has paid in early October, NZ\$2,000,000 to the Tariki Joint Venture (with NZE Tariki Limited's 50% share being NZ\$1,000,000) as drilling operations at Tariki-5 commenced.

2024 OUTLOOK

Key objectives for the year include:

1. **Health and Safety:** The Group's focus remains on keeping safety as an embedded component of everyday operations, zero harm to people and the environment remains foremost in planning and implementing all Group and contractor activities. The Group continues to work with regulators, other operators, local community businesses, communities and iwi to maintain safe operations and HSE performance.
2. **Tariki:** The primary focus for the Company in 2024 is the redevelopment of the independently verified gas - condensate reserves at the Tariki Field in central Taranaki. Development well Tariki-5 commenced drilling in September 2024 and in late October the well reached the target depth without intersecting the target Tariki Sands due to the field's eastern bounding thrust fault being located ~200m further west than previously interpreted. At that stage the drilling operations were suspended for ~3 weeks so that a re-interpretation of the structure based on the new data could be carried out and reviewed by internal & external experts. Drilling operations recommenced at Tariki-5A on November 18th, 2024. Once completed, which is expected to be early December the rig will be demobilised and early production is expected before year end. Once this work is completed, the Group will commence advancing assessment of a gas storage project using the balance of the Tariki Field structure.
3. **Waihapa-Ngaere Production:** Production has been operating on cyclic well unloads without the use of gas-lift. This has been to manage the high cost of fuel gas for the gas-lift compressor. Production operations at Waihapa-Ngaere will be reviewed once the Tariki Gas redevelopment is on stream as this may provide sufficient gas to restart continuous production.
4. **Copper Moki:** Production at Copper Moki has been offline due to mechanical failures in Copper Moki 2 well in 2022 and in Copper Moki 1 in 2023. Activities to restore these two wells to production without using a workover rig were unsuccessful. Activities to return these wells to production are now planned for early 2025 and will require removal of the production tubing in both Copper Moki wells. Post the quarter end the Company signed a farmout agreement with Monumental Energy. The agreement provides for the funds introduced by Monumental to be used to replace the tubing and restore both Copper Moki-1 and 2 to production in early 2025. Note that this farmout agreement is awaiting the applicable consent from the regulator in the form of the Minister of Energy's delegate.
5. **Eltham PEP 51150:** Water injection at, and offset well monitoring of, the Arakamu-2A discovery is on hold impending a review of results to date and testing of alternative improved recovery technologies, i.e. heat and/or solvent injection. Reservoir studies will be carried out through the first half of 2025 to determine the best technology to appraise in the field later in 2025. A Change of Conditions application for this variation to the permit work program has been lodged with the regulator and is currently being processed.

Management's Discussion & Analysis

6. **Appraisal & Exploration:** The Company's portfolio of appraisal and exploration activities has been prioritised and is on hold while the Company is focused on the Tariki redevelopment project. These projects will be updated and implementation expected to start in Q1 2025 after a thorough external review process. These opportunities include accessing undeveloped discovered hydrocarbons in the Waihapa-Ngaere and Tariki permits and exploration potential within the Waihapa/Ngaere and Tariki Licences and the Copper Moki and Arakamu Permits
7. **Third Party services:** The Group continues to provide a number of services to third parties including disposal of oil processing and transportation, deep well waste fluids disposal, and storage of LPG, all of which provide a helpful source of additional revenue
8. **Private placement:** The Group undertook a private placement in March 2024, raising \$5,000,000, and another private placement was undertaken in October 2024, raising \$948,000. The Group has also raised an additional \$2,000,000 capital in November 2024 to support the Tariki-5A side-tracking operation.

Management's Discussion & Analysis

FINANCIAL SNAPSHOT

	<i>Nine months ended 30 September 2024</i>	<i>Three months ended 30 September 2024</i>	<i>Nine months ended 30 September 2023</i>	<i>Three months ended 30 September 2023</i>
	<i>bbl</i>	<i>bbl</i>	<i>bbl</i>	<i>bbl</i>
Production (oil)	4,627	1,395	7,847	1,333
Sales (oil)	4,073	823	8,597	1,291
	<i>\$/bbl</i>	<i>\$/bbl</i>	<i>\$/bbl</i>	<i>\$/bbl</i>
Price	93.84	97.12	88.17	96.94
Production costs	144.41	222.75	100.59	145.57
Royalties	5.65	2.02	3.15	(5.33)
Field netback	(56.22)	(127.66)	(15.57)	(43.30)
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Revenue less Royalties	906,417	288,667	1,654,095	428,481
Total comprehensive profit/ (loss)	(2,983,985)	(883,022)	(1,777,059)	(391,974)
Net finance expense	389,183	126,178	409,131	146,023
Loss per share – basic and diluted	(0.20)	(0.06)	(0.76)	(0.17)
Current assets	3,822,987		1,424,465	
Total assets	18,969,421		13,298,867	
Total non-current liabilities	8,190,310		7,164,845	
Total liabilities	13,569,841		11,873,640	
Shareholders' equity	5,399,580		1,674,823	

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 Group's assets (see map following).

The Group 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 mmstb Oil-In-Place in the field.

The current focus is on assessing the opportunities for restoring production from wells which have had mechanical issues. Two of these wells have been prioritised, i.e. Waihapa H1 and Waihapa-6A, and work is progressing to implement these opportunities in mid 2024, with actual depending on Long Lead delivery times, workover rig selection and availability, and budget.

Tariki

Following completion of the updated reservoir modelling based on the results of the 2021 3D seismic survey at the Tariki field, a number of opportunities are being progressed.

a) 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. The presence of economically recoverable reserves within Tariki is of material benefit to a gas storage project.

b) Tariki formation – gas storage

The data indicates that more than 10PJ 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). Discussions with counterparties are ongoing.

c) Tikorangi formation

The Tikorangi formation, from which over 24 mmstb oil has been produced at Waihapa/Ngaere, is present in the Tariki permit. The Tariki-2C well produced over 100,000 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.

d) Mt Messenger formation

The 2021 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 a number of fields within the onshore Taranaki Basin, including at Copper Moki. Evaluation of these leads is continuing.

e) Drilling

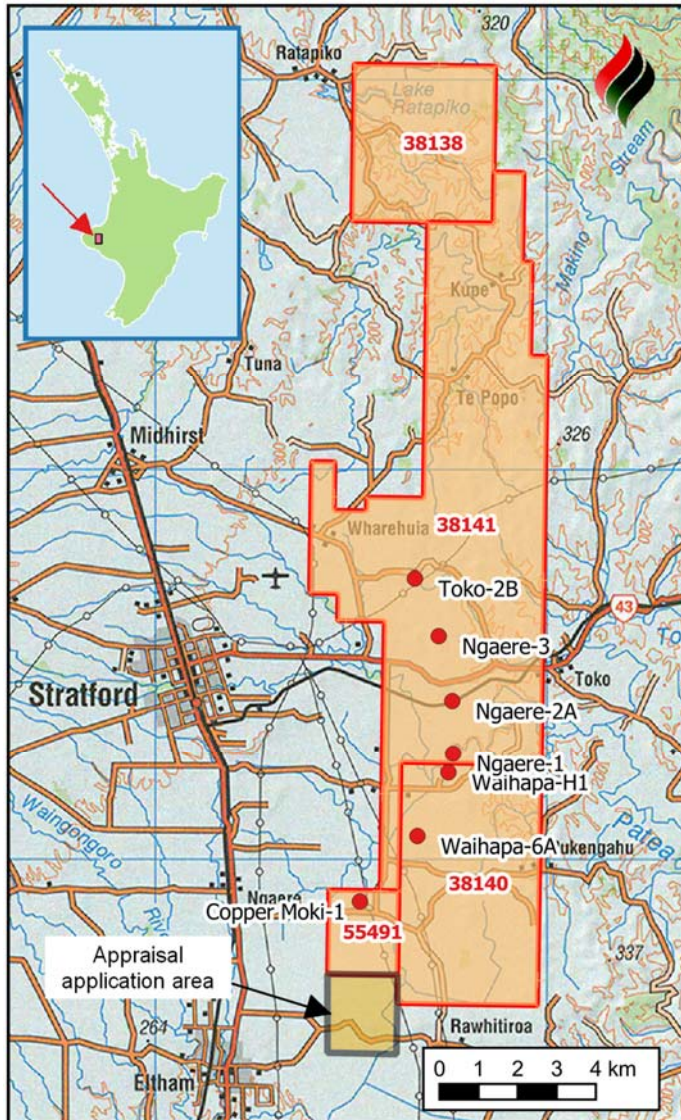
The Tariki-5 well is scheduled for drilling in September of 2024. Long Leads have been ordered and contracts, including for the drilling rig, are in the process of being finalised. The required consents are in place. Tariki-5 is a gas production well and the well results will also inform a Tariki gas Storage project and help define the Tikorangi oil prospectivity in the south and more crestal (at Tikorangi level) part of the Tariki Licence.

Management's Discussion & Analysis

Copper Moki Petroleum Mining Permit

Copper Moki-1: In Q3 2024 - no production.

Copper Moki-2: In Q3 2024 - no production.



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 considered using the Copper Moki-3 well. This is in addition to the water flood via the 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.

Work will be undertaken to assess the effects of the water flood underway 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.

Management's Discussion & Analysis

SUMMARY OF QUARTERLY RESULTS

	2024 Q3 \$	2024 Q2 \$	2024 Q1 \$	2023 Q4 \$
Total assets	18,969,421	18,094,561	14,777,783	15,269,475
Exploration and evaluation assets	-	-	-	-
Property, plant and equipment	14,720,106	12,725,180	12,387,675	12,519,607
Working capital	(1,556,544)	3,478,720	431,543	1,018,670
Revenue less royalty	288,667	301,536	327,620	262,981
Accumulated deficit	(146,180,549)	(144,954,992)	(143,563,638)	(142,809,446)
Total comprehensive income (loss)	(883,022)	(1,186,044)	(914,919)	(298,870)
Basic (loss) earnings per share	(0.06)	(0.08)	(0.11)	(0.11)
Diluted (loss) earnings per share	(0.06)	(0.08)	(0.11)	(0.11)

	2023 Q3 \$	2023 Q2 \$	2023 Q1 \$	2022 Q4 \$
Total assets	13,298,867	13,760,994	15,860,553	15,892,545
Exploration and evaluation assets	-	-	-	-
Property, plant and equipment	11,475,566	12,135,894	13,230,269	13,316,930
Working capital	(2,984,734)	(2,670,509)	(2,172,120)	(1,988,330)
Revenue less royalty	428,481	502,968	741,344	979,155
Accumulated deficit	(142,339,971)	(141,945,119)	(141,262,009)	(140,870,733)
Total comprehensive income (loss)	(391,974)	(931,585)	(453,500)	2,225,302
Basic (loss) earnings per share	(0.14)	(0.33)	(0.16)	0.27
Diluted (loss) earnings per share	13,298,867	(0.33)	(0.16)	0.27

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 2024

This section of the MD&A provides analysis of the Company's operations in respect of the third quarter of 2024 ("Three Month Period") compared to results achieved for the same period in 2023. See *Operating & Financial Highlights* and *Property Review and Outlook* for a summary of the third quarter 2024 operational events and activities.

Production and sales

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
Barrels or BOE	2024	2023	2024	2023
Production – Oil (Bbls)	1,395	1,333	4,627	7,847
Sales - Oil (Bbls)	823	1,291	4,073	4,970
Sales – Gas (BOE)	-	-	3	146
TOTAL Production (BOE)	1,395	1,333	4,630	7,993

Production is lower than achieved in 2023. This is the result of lower production in Copper Moki (nil) and Waihapa/Ngaere.

Management's Discussion & Analysis

Revenues

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2024	2023	2024	2023
	\$	\$	\$	\$
Oil Sales	79,926	125,154	382,170	757,972
Gas Sales	-	-	-	-
Processing Revenue	145,065	148,471	419,509	693,476
Other Revenue	65,337	147,978	127,754	229,645
Royalty	(1,661)	6,878	(23,016)	(26,998)
Oil sales per bbl	97.12	96.94	93.84	88.17

Note. 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 the exchange rate.

Processing Revenue: Revenue is lower as result of a decrease in water disposal services. Opportunities for increasing processing revenue are being pursued, including providing water disposal services for various third parties

Other Revenue – relates mainly to LPG storage, and the payment for entering into a gas sales agreement by Genesis.

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.

Production costs

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2024	2023	2024	2023
	\$	\$	\$	\$
Production costs	183,326	187,936	588,117	864,802
Production cost per bbl	222.75	145.57	144.41	100.59

Processing costs

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2024	2023	2024	2023
	\$	\$	\$	\$
Processing costs	366,893	178,652	885,245	629,863

Depreciation and depletion

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2024	2023	2024	2023
	\$	\$	\$	\$
Depreciation and depletion	75,268	70,533	227,789	278,213

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.

Management's Discussion & Analysis

General and Administrative Expenses

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2024	2023	2024	2023
	\$	\$	\$	\$
General and administrative expense	564,054	293,010	1,962,108	972,569

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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accretion	75,767	95,612	239,046	259,542
Loan interest accrued	50,411	50,411	150,137	149,589
Total Finance expense	126,178	146,023	389,183	409,131

Accretion reflects the expense associated with asset retirement obligations. Interest costs relate to the 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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Abandonment provision movement	36,488	(59,657)	20,521	(40,511)

Abandonment provision movement arises from the change in estimate for the 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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Exchange Difference – loss / (gain)	162,017	6,836	204,557	9,266
Exchange rate at beginning of period	0.8330	0.8052	0.8220	0.8588
Exchange rate at end of period	0.8598	0.8057	0.8598	0.8057

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

The NZD exchange rate has strengthened against the CAD over the three month period to 30 September 2024.

Management's Discussion & Analysis

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	
	2024	2023	2024	2023
	\$	\$	\$	\$
NZEC	62	-	9,495	-
TWN Assets	-	-	-	17,681
Tariki	1,532,866	27,573	2,182,163	41,822
TOTAL	1,532,928	27,573	2,191,658	59,503

Tariki relates drilling of Tariki 5 and processing of 3D seismic, and NZEC relates to the purchase of office equipment.

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 2024	31 December 2023
	\$	\$
Cash and cash equivalents	1,774,108	1,180,393
Working capital	(1,556,544)	1,018,670

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 2024	30 September 2023
Cash provided by / (used in)	\$	\$
Operating activities	(2,004,245)	(369,052)
Investing activities	(2,191,658)	(59,503)
Financing activities	4,788,562	-

Net Loss for the nine-month period was \$3,371,103 (2023: Loss: \$1,469,238). The more significant non-cash items included during the period were \$616,972 in depreciation, depletion and accretion (2023: \$687,344) and a change in working capital items of \$524,808 (2023: \$444,087).

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.

Management's Discussion & Analysis

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 2023, 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 2024 and 2023:

	Three Month Period ended 30 September		Nine Month Period ended 30 September	
	2024	2023	2024	2023
	\$	\$	\$	\$
Net Revenue				
Oil sales	79,926	125,154	382,170	757,972
Royalties	(1,661)	6,878	(23,016)	(26,998)
Production Costs	(183,326)	(187,936)	(588,117)	(864,802)
Sub-total net revenue (a)	(105,061)	(55,904)	(228,963)	(133,828)
Barrels of Oil sold (b)	823	1,292	4,073	8,597
Field Netback [(a)/(b)] \$/bbl	(127.66)	(43.30)	(56.22)	(15.57)

SHARE CAPITAL

The Group's authorized share capital consists of an unlimited number of voting common shares. As at 30 September 2024, the Group had 14,987,902 common shares outstanding.

On 31 October 2023, the Group consolidated its shares on a 10:1 basis. Earnings per share has been retrospectively adjusted to ensure comparability.

During the year the Group undertook a private placement in 2024 issuing 6,666,667 shares at a price of 0.75 per share. Post 30 September 2024, a second private placement took place issuing 1,115,617 shares at a price of 0.85 per share. A third private placement took place issuing 4,444,444 at a price of 0.45 per share.

As of the date of this MD&A, the Group's share capitalization included 20,547,963 common shares, and nil warrants. During the year 1,400,000 options were issued.

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.

Management's Discussion & Analysis

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.