new zealand
ENERGY CORP

First Quarter 2026

Condensed Consolidated Interim Financial Statements

31 March 2026

(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 STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes	31 March 2026 $	31 December 2025 $
Assets			
Current			
Cash and cash equivalents	3	2,480,255	7,111
Accounts and other receivables	4	1,238,636	1,317,608
Prepaid expenses		52,328	75,716
Inventories	5	391,879	223,197
Total current assets		**4,163,098**	**1,623,632**
Non-Current			
Inventories	5	311,488	309,755
Property, plant and equipment	6	10,343,619	10,059,353
Intangible assets	7	138,978	141,063
D*eposits*		344,637	355,473
Total non-current assets		**11,138,722**	**10,865,644**
Total assets		**15,301,820**	**12,489,276**
Liabilities			
Current			
Trade and other payables	9	1,978,521	1,762,913
Deferred revenue		982,117	983,134
Royalty interest payable	10	210,218	209,164
Right of use liability		15,593	20,638
Total current liabilities		**3,186,449**	**2,975,749**
Non-Current			
Asset retirement obligations	8	9,038,862	8,674,280
Royalty interest payable	10	385,575	383,639
Total Non-Current Liabilities		9,424,437	**9,057,919**
Total liabilities		**12,610,886**	**12,033,668**
Shareholders' equity			
Share capital	11	126,297,345	123,001,595
Share-based payment reserve		24,486,379	23,602,902
Accumulated other comprehensive income		11,545,531	11,832,677
Accumulated deficit		(159,638,321)	(157,981,266)
Total shareholders' equity		**2,690,934**	**455,608**
Total liabilities and shareholders' equity		**15,301,820**	**12,489,276**

Description of business and going concern (Note 1)

These unaudited condensed consolidated financial statements are authorized for issuance by the Board of Directors on 10 July 2026.

On behalf of the Board of Directors

"Michael Adams"
Michael Adams, Director

"Bill Treuren"
Bill Treuren, Director

See accompanying notes to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 March 2026 and 2025
(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 2025	**20,572,963**	**119,715,592**	**22,213,294**	**1,389,608**	**11,699,468**	**(150,880,496)**	**4,137,466**
Net loss for the period	-	-	-	-	-	(1,056,570)	(1,056,570)
Exercise of Options	27,000	22,680	-	-	-	-	22,680
Other comprehensive income for the period	-	-	-	-	62,020	-	62,020
Balance, 31 March 2025	**20,599,963**	**119,738,272**	**22,213,294**	**1,389,608**	**11,761,488**	**(151,937,066)**	**3,165,596**
Balance, 1 January 2026	**38,370,186**	**123,001,595**	**22,213,294**	**1,389,608**	**11,832,377**	**(157,981,266)**	**455,608**
Net loss for the period	-	-	-	-	-	(1,657,055)	(1,657,055)
Private Placement	17,500,000	3,500,000	-	-	-	-	3,500,000
Share-Based payments	-	-	883,477	-	-	-	883,477
Share Issue Costs	-	(204,250)	-	-	-	-	(204,250)
Other comprehensive income for the period	-	-	-	-	(286,846)	-	(286,846)
Balance, 31 March 2026	**55,870,186**	**126,297,345**	**23,096,771**	**1,389,608**	**11,545,531**	**(159,638,321)**	**2,690,934**

See accompanying notes to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF NET LOSS AND COMPREHENSIVE LOSS
For the three month periods ended 31 March 2026 and 2025
(Expressed in Canadian Dollars)

	Notes	Three months ended 31 March	
		2026 **$**	**2025** **$**
Revenues			
Revenue	12	664,833	246,653
Royalties		(53,530)	(1,019)
		611,303	245,634
Expenses and other items			
Production costs		128,645	364,978
Processing costs		182,578	109,136
Depreciation, depletion and amortisation	6,7	195,377	69,060
General and administrative	13	739,649	605,768
Finance expense		73,678	125,521
Foreign exchange (gain)/loss		(5,315)	11,831
Share based compensation		883,477	-
Abandonment provision movement		70,269	15,910
		2,268,358	1,302,204
Net loss		**(1,657,055)**	**(1,056,570)**
Other comprehensive loss:			
Exchange difference on translation of foreign currency (i)		(286,846)	62,020
Total comprehensive loss		**(1,943,901)**	**(994,550)**
Basic and diluted loss per share		$ (0.04)	$ (0.05)
Weighted average shares outstanding		47,881,056	20,599,963

(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 three month periods ended 31 March 2026 and 2025
(Expressed in Canadian Dollars)

	Notes	Three Months ended 31 March	
		2026	**2025**
		$	**$**
Operating activities			
Net loss for the period		(1,657,055)	(1,056,570)
Changes for non-cash operating items			
Depreciation and depletion		195,377	75,737
Accretion		77,707	77,426
Accrued Interest		(4,029)	49,863
Abandonment provision movement		70,269	66,466
Foreign exchange (gain) / loss		(5,315)	(31,842)
Share based compensation		883,477	-
Change in working capital items			
Accounts and other receivables		89,359	(102,043)
Prepaid expenses		23,384	5,067
Inventories		(170,474)	(25,470)
Trade and other payables		15,331	241,380
Cash provided by (used in) operating activities		**(481,969)**	**(665,681)**
Investing activities			
Purchase of oil and gas properties		(288,630)	(322,614)
Purchase of property, plant and equipment		(40,091)	-
Cash provided by (used in) investing activities		**(328,721)**	**(322,614)**
Financing activities			
Share Options Exercised		-	22,680
Private Placement		3,500,000	-
Share Issue Costs		(204,250)	-
Cash provided by (used in) financing activities		**3,295,750**	**22,680**
Net increase (decrease) in cash		**2,485,059**	**(965,615)**
Effect of exchange rate changes on cash		(11,916)	(10,060)
Cash, beginning of the period		7,111	1,131,605
Cash and equivalents, end of the period	3	**2,480,255**	**155,930**

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

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

New Zealand Energy Corp. (the "Company," the "Group" or "NZEC") commenced operations on 19 April 2010 through its 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 Corporations Act* (British Columbia). On 10 November 2010, 0894134 B.C. Ltd. changed its name to New Zealand Energy Corp.

The Company, through its subsidiaries and joint arrangements, is engaged in the exploration, development and production of oil and natural gas, the operation of midstream assets and the advancement of the Tariki gas-storage project in New Zealand.

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

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

Going concern

These unaudited condensed consolidated interim financial statements have been prepared on a going-concern basis, which assumes that the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

For the three months ended 31 March 2026, the Group incurred a net loss of $1,657,055 and used $481,969 of cash in operating activities. At 31 March 2026, the Group had cash and cash equivalents of $2,480,255 and positive working capital of $976,649, compared with cash of $7,111 and a working-capital deficit of $1,352,117 at 31 December 2025. The improvement in the Group's liquidity primarily resulted from the completion of a private placement during the quarter for gross proceeds of $3,500,000.

Notwithstanding the improvement in liquidity, the Group continues to incur operating losses and negative operating cash flows and has capital expenditure, operating, decommissioning and other contractual obligations associated with its oil and gas properties, production facilities and development projects. The Group's ability to continue as a going concern is dependent on generating sufficient cash flows from its producing properties and midstream operations, managing the timing and amount of its expenditure commitments and, as required, obtaining additional financing through equity issuances, debt arrangements, commercial advances or other transactions.

Management has prepared cash-flow forecasts covering a period of at least 12 months from the date these unaudited condensed consolidated interim financial statements were authorized for issuance. These forecasts incorporate assumptions regarding production volumes, commodity prices, operating costs, capital expenditures, the timing of receipts and payments and the availability of additional financing. The achievement of these forecasts is subject to uncertainty, and actual results may differ materially from the assumptions used.

Accordingly, these events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The Group may be unable to realize its assets and discharge its liabilities in the normal course of business if it is unable to achieve its forecast operating results, defer or reduce planned expenditures or obtain additional financing when required.

These unaudited condensed consolidated interim financial statements do not include adjustments to the carrying amounts or classification of assets and liabilities, or to the reported revenues and expenses, that would be necessary if the Group were unable to continue as a going concern. Such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board. They do not include all of the information and disclosures required in annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2025.

These unaudited condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as those applied in the audited consolidated financial statements for the year ended 31 December 2025, except for any new standards and amendments effective from 1 January 2026, which did not have a material effect on the Group's financial statements [confirm].

(Expressed in Canadian Dollars)

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management and the key sources of estimation uncertainty were consistent with those applied in the audited consolidated financial statements for the year ended 31 December 2025, except as otherwise disclosed.

The results for the three months ended 31 March 2026 are not necessarily indicative of the results expected for the full financial year.

3. CASH AND CASH EQUIVALENTS

	31 March 2026 $	31 December 2025 $
Cash and cash equivalents	2,480,255	7,111

4. TRADE RECEIVABLES

	31 March 2026 $	31 December 2025 $
Trade receivables, there was no material expected credit loss provision at March 31, 2026.	1,238,636	1,317,609

5. INVENTORIES

	31 March 2026 $	31 December 2025 $
Current		
Material and supplies	-	-
Oil inventories	391,879	223,197
	391,879	**223,197**
Non Current		
Non-current material and supplies	515,512	513,779
Less write down provision to NRV	(204,024)	(204,024)
	311,488	**309,755**
Write down Provision to NRV non-current material and supplies		
Opening Balance	(204,024)	(129,767)
Movement in provision recognised as income	-	(74,257)
Provision reversed on material and supplies sold	-	-
Closing Balance	**(204,024)**	**(204,024)**

(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 2025	**63,822**	**1,331,822**	**4,023,777**	**27,390,941**	**32,810,362**
Additions	2,093	-	-	1,571,732	1,573,825
Change in asset retirement cost due to change in estimate	-	-	3,677	226,426	230,103
Foreign currency translation adjustment	29,264	(144,311)	(232,693)	(583,840)	(931,581)
Balance, 31 December 2025	**95,179**	**1,187,511**	**3,794,761**	**28,605,259**	**33,682,710**
Additions	-	-	40,091	288,630	328,721
Change in asset retirement cost due to change in estimate	-	-	4,813	96,519	101,332
Foreign currency translation adjustment	480	6,579	19,380	108,379	134,818
Balance, 31 March 2026	**95,659**	**1,194,090**	**3,859,045**	**29,098,787**	**34,247,581**

	Furniture and fixtures	Land and building	Plant and equipment	Oil and gas properties	Total
	$	$	$	$	$
Accumulated depreciation and impairment					
Balance, 1 January 2025	**10,354**	**38,938**	**1,967,387**	**15,890,966**	**17,907,645**
Depreciation and depletion	6,270	38,242	207,995	386,117	638,624
Impairment	-	-	-	5,804,261	5,804,261
Foreign currency translation adjustment	30,280	(272)	(232,937)	(524,246)	(727,175)
Balance, 31 December 2025	**46,904**	**76,908**	**1,942,445**	**21,557,100**	**23,623,357**
Depreciation and depletion	2,107	-	62,901	127,238	192,246
Foreign currency translation adjustment	315	-	10,369	77,675	88, 359
Balance, 31 March 2026	**49,326**	**76,908**	**2,015,715**	**21,762,013**	**23,903,962**
Net Book Value					
Balance, 31 December 2025	48,275	1,110,603	1,852,316	7,048,159	10,059,353
Balance, 31 March 2026	**46,333**	**1,117,182**	**1,843,330**	**7,336,774**	**10,343,619**

At 31 March 2026, management considered whether events or changes in circumstances indicated that the carrying amounts of the Group's cash-generating units may be impaired or that previously recognized impairment losses may have reversed. Management concluded that no indicators of further impairment or reversal of previously recognized impairment losses existed at 31 March 2026.

ROU assets are included in the Land and Building category of PP&E.

	31 March 2026	31 December 2025
	$	$
Opening Balance 1 January	19,117	57,631
Additions	-	-
Amortisation	(4,889)	(38,242)
Foreign currency translation adjustment	182	(272)
Closing Balance	**14,410**	**19,117**

The right of use liability with respect to the right of use assets was $15,593 at the end of the period (December 2025: $20,638).

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

	Intangible Assets $
Cost	
Balance, 1 January 2025	**145,297**
Foreign currency translation adjustment	3,242
Balance, 31 December 2025	**148,539**
Additions	-
Disposals	-
Foreign currency translation adjustment	718
Balance, 31 March 2026	**149,257**

Accumulated Amortisation	Intangible Assets $
Balance, 1 January 2025	**7,700**
Foreign currency translation adjustment	(224)
Balance, 31 December 2025	**7,476**
Amortisation	3,131
Disposals	-
Foreign currency translation adjustment	(328)
Balance, 31 March 2026	**10,279**
Net Book Value	
Balance, 31 December 2025	**141,063**
Balance, 31 March 2026	**138,978**

Intangible assets acquired separately are measured on initial recognition at cost 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 indefinite. 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.

Intangible assets relate to the extinguishing of an overriding royalty during the 2021 year. The intangible asset has a finite life aligned with the life of the reserves to which the royalties relate. The amortisation of the intangible asset 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.

An 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 comprehensive 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	31 March 2026 $	31 December 2025 $
Opening Balance 1 January	**8,674,280**	**8,262,238**
Change in estimate	229,992	230,103
Accretion expense for the period	96,565	370,795
Foreign currency translation adjustment	38,025	(188,856)
Closing Balance	**9,038,861**	**8,674,280**

Assumptions		
Total undiscounted value of payments	13,691,784	$13,319,534
Discount rate	2.64% to 4.81%	2.52% to 4.81%
Inflation rate	2.18%	2.13%
Expected life	1 to 11 years	1 to 11 years

9. TRADE AND OTHER PAYABLES

	31 March 2026 $	31 December 2025 $
Trade payables	1,889,127	1,561,563
GST payable	2,523	64,779
Accrued liabilities – payroll	86,871	136,571
Trade and other payables	**1,978,521**	**1,762,913**

(Expressed in Canadian Dollars)

10. ROYALTY INTEREST PAYABLE

	31 March 2026	31 December 2025
	$	$
Current	210,218	209,064
Non-Current	385,575	383,639
	595,793	**592,703**

During the year, Taranaki Ventures Limited, a wholly owned subsidiary of the Company, received funding from Monumental Energy Corp NZ Limited ("Monumental") in connection with the Copper Moki workover project. Management has reviewed the terms of the arrangement and concluded that the funding received is not revenue from a contract with a customer as it does not represent proceeds from the sale or partial disposal of an interest in the underlying permit or oil and gas assets.

Under the arrangement, following exercise of the call option on 31 December 2025, Monumental is entitled to a contractual share of future net receipts from production from the related Copper Moki wells. Monumental is to receive 75% of net receipts until an amount equal to the workover costs funded by Monumental has accrued to it, and 25% of net receipts thereafter.

Monumental does not obtain a legal or equitable interest in the relevant permit or permit area. Instead, the arrangement has been accounted for as a liability-based funding arrangement and represents a financial instrument measured at fair value through profit or loss. The Company uses the annual reserves evaluation to determine the fair value of the net receipts based on the estimated proven and probable discounted cash flows from the associated Copper Moki properties under the terms of the funding agreement. The discount rate utilized was 12% as at 31 December 2025. Refer to Note 21 for further disclosures.

A continuity of the balance is as follows:

	31 March 2026	31 December 2025
	$	$
Opening Balance 1 January	**592,703**	**-**
Proceeds received	-	948,563
Foreign exchange	3,090	(14,792)
Fair value adjustment	-	(341,068)
Closing Balance 31 December	**595,793**	**592,703**

11. SHARE CAPITAL

a) Common shares

The Company is authorized to issue an unlimited number of common shares without par value.

On 9 February 2026, the Company completed a non-brokered private placement of 17,500,000 common shares at $0.20 per share for gross proceeds of $3,500,000. Share issuance costs of $204,250 were recorded as a reduction of share capital.

Common shares	**Number of shares**	**Share capital ($)**
Balance, 31 December 2025	38,370,186	123,001,595
Private placement	17,500,000	3,500,000
Share issuance costs	-	(204,250)
Balance, 31 March 2026	55,870,186	126,297,345

(Expressed in Canadian Dollars)

b) Share purchase options

On 25 February 2026, the Company granted 3,250,000 stock options to directors, officers and employees. The options vested immediately, are exercisable at $0.45 per common share and expire on 25 February 2031. The aggregate grant-date fair value of the options was $883,477 and was recognized as share-based compensation during the three months ended 31 March 2026.

Option activity	Number of options	Weighted average exercise price ($)
Balance, 31 December 2025	1,050,000	0.84
Granted	3,250,000	0.45
Balance, 31 March 2026	**4,300,000**	**0.55**

The following table summarizes the stock options outstanding and exercisable at 31 March 2026:

Number outstanding	Exercise price ($)	Expiry date	Number exercisable	Remaining life (years)
1,050,000	0.84	13 May 2027	1,050,000	1.12
3,250,000	0.45	25 February 2031	3,250,000	4.91
4,300,000	0.55		4,300,000	3.98

The weighted average contractual remaining life of the stock options outstanding and exercisable at 31 March 2026 was 3.98 years.

c) Loss per share

Basic and diluted loss per share for the three months ended 31 March 2026 was $0.04 (31 March 2025: $0.05), calculated using a weighted average of 47,881,056 common shares outstanding (31 March 2025: 20,599,963). All outstanding stock options were excluded from the diluted loss per share calculation because their effect was anti-dilutive.

12. REVENUE

	Note	Three months ended 31 March 2026 $	2025 $
Oil sales		510,381	15,679
Gas sales		50,441	52,928
Processing revenue		77,534	136,374
Interest income		2,144	2,605
Other revenue	1	24,333	39,067
Total Revenue		**664,833**	**246,653**

1. 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 31 March	
	2026	**2025**
	$	**$**
Professional fees	4,680	181,113
Consulting fees	31,123	40,719
Travel and promotion	44,948	2,101
Administrative expenses	84,725	113,906
Short term lease	(83)	5,459
Low value equipment lease	-	1,833
Filing and transfer agent fees	16,644	9,203
Insurance	-	-
Salaries and wages	557,612	251,434
	739,649	**605,768**

14. RELATED PARTY TRANSACTIONS

Related parties of the Company include entities controlled by Directors or officers, as well as Directors and members of key management personnel. Transactions with related parties are recorded at the amounts agreed between the parties.

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 31 March	
	2026	**2025**
	$	**$**
Salary and consulting fees	490,048	100,549
Share-based compensation	842,580	-
	1,332,628	100,549

As at 31 March 2026, there are accounts payable and accrued liabilities of $34,892 (2025: $25,213) owing to related parties.

(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, development and production of conventional oil and natural gas resources in New Zealand. The Group's principal geographic area for all material assets, liabilities, revenues and expenses is New Zealand.

16. COMMITMENTS AND DEPOSITS

As at 31 March 2026, the Group had the following undiscounted contractual obligations:

	Remaining in 2026 $	2027 and onwards $	Total $
Operating Leases	16,000	-	16,000
Contract and purchase commitments	207,000	1,308,000	1,515,000
	223,000	**1,308,000**	**1,532,000**

Contract commitments relate mostly to future lease payment commitments to landowners on which permits lie. Operating leases relate to leased offices and are short-term in nature.

Restricted Deposits and Performance Bonds
Bonds provided to the Crown in respect of the Tariki, Waihapa and Ngaere petroleum mining licences are issued by Bank of New Zealand (NZ$375,000). In addition, First Gas has been provided a NZ$115,000 performance bond issued by the Bank of New Zealand. The total bonds balance of NZ$490,00 at 31 March 2026 is equivalent to CAD $344,637.

These bonds are secured by way of 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, during 2026 the bonds were fully cash collateralised.

17. SUBSEQUENT EVENTS

Tariki operations and licence extension

Subsequent to 31 March 2026, the Group completed production testing of the Tariki-1A and Tariki-5A wells. Tariki-1A achieved a stabilized natural gas flow rate of approximately 3 million cubic feet per day over a 96-hour test period, and Tariki-5A achieved a stabilized natural gas flow rate of approximately 1.5 million cubic feet per day over a 48-hour test period. The Group continued work to connect production from the wells to the Waihapa Production Station. The test results are preliminary and are not necessarily indicative of long-term production performance.

In May 2026, New Zealand Petroleum & Minerals extended Petroleum Mining Licence 38138, relating to the Tariki field, for a further five-year term to 20 July 2031. The licence is held through the Tariki joint arrangement, in which the Group has a 50% interest, and includes an updated work programme.

Regulatory filings

On 1 May 2026, the British Columbia Securities Commission (the "BCSC") issued a management cease trade order, and on 30 June 2026, the BCSC issued a cease trade order in connection with the delay in filing the Company's annual disclosure documents for the year ended 31 December 2025. The Company filed the annual disclosure documents on 3 July 2026. With the filing of the first quarter disclosure documents on 10 July 2026, the Company will have all of its outstanding continuous disclosure filings up to date and intends to seek revocation of the cease trade order, and if required, make an application to the BCSC for such revocation.

These events are non-adjusting events after the reporting period and no adjustments have been made to these unaudited condensed consolidated interim financial statements.