Strategic Taranaki Acquisition

NEW ZEALAND ENERGY CORP.

TSX-V: NZ
OTCQX: NZERF
NewZealandEnergy.com
Forward-looking Statements

This presentation contains 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 “expand”, “repeat”, “increase”, “unlock”, “build”, “de-risk”, “target”, “advance” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements included in the presentation should not be unduly relied upon. These statements speak only as of the date of the presentation. The presentation contains forward-looking statements pertaining to the following: business strategy, strength and focus; the ability of NZEC to progress through the conditions precedent to conclude the Origin Agreement on schedule, if at all; the granting of regulatory approvals; the need to obtain government approval of work programs before or exploring the Petroleum Licenses; the timing for receipt of regulatory approvals; the resource potential of the Properties; the estimated quantity and quality of the Corporation’s oil and natural gas resources; projections of market prices and costs and the related sensitivity of distributions; supply and demand for oil and natural gas; expectations regarding the ability to raise capital and to continually add to resources through acquisitions and development; treatment under governmental regulatory regimes and tax laws, and capital expenditure programs; expectations with respect to the Corporation’s future working capital position; capital expenditure programs; and abandonment and reclamation costs. With respect to forward-looking statements contained in the presentation, assumptions have been made regarding, among other things: future commodity prices; the Corporation’s ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the impact of any changes in New Zealand law; the regulatory framework governing royalties, taxes and environmental matters in New Zealand and any other jurisdictions in which the Corporation may conduct its business in the future; the ability of the Corporation’s subsidiaries to obtain subsequent mining permits, access rights in respect of land and resource and environmental consents; the recoverability of the Corporation’s crude oil, natural gas and natural gas liquids resources; the applicability of technologies for recovery and production of the Corporation’s oil, natural gas and natural gas liquids resources; the Corporation’s future production levels; the Corporation’s ability to market crude oil, natural gas and natural gas liquids production; future development plans for the Corporation’s assets unfolding as currently envisioned; future capital expenditures to be made by the Corporation; future cash flows from production meeting the expectations stated herein; future sources of funding for the Corporation’s capital program; the Corporation’s future debt levels; geological and engineering estimates in respect of the Corporation’s resources; the geography of the areas in which the Corporation is exploring; the impact of increasing competition on the Corporation; and the Corporation’s ability to obtain financing on acceptable terms, or at all. 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 presentation: 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, that affect 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 that prevent the Corporation from raising the funds necessary for exploration and development on acceptable terms or at all; global financial market events that 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 that the foregoing list of factors is not exhaustive. Statements relating to “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. The forward-looking statements contained in the presentation are expressly qualified by this cautionary statement. Except as required under applicable securities laws, the Corporation does not undertake or assume any obligation to publicly update or revise any forward-looking statements.
Strategic Acquisition of Taranaki Assets

Upstream Assets
• Four Petroleum Licenses covering 26,907 acres, contiguous with Eltham and Alton permits in key production fairway of Taranaki Basin

Midstream Assets
• Waihapa Production Station – includes facilities for gas processing, C3 plus liquids recovery, oil processing and water disposal with associated gathering and sales pipelines

Purchase Price
• C$42 million plus 5% gross overriding royalty to Origin
• Expected to close in Q2-2013 subject to a number of conditions precedent
Transaction Rationale

**Full Control of Future & Growth**
- Waihapa Production Station and pipelines provide infrastructure in place to facilitate growth beyond 25,000 boe/d
- Control of Taranaki oil and gas processing hub and infrastructure strategically positions NZEC
- Provides ability to tie-in and maintain production as quickly as possible upon success

**Prime Acreage in Heart of Taranaki Fairway**
- 26,907 acres offering 3D-defined drilling prospects with well control from 27 logs and near term tie-in potential
- 16 drill pads with infrastructure provide opportunity for near-term drilling and immediate tie-in of discoveries
- Royalty and GOR to Origin is comparable to current royalty regime

**Consideration C$42 million + 5% GOR**
- NZEC feels the replacement cost of Waihapa Production Station and pipeline system alone justifies purchase price
- Upstream assets provide significant upside potential
- Revenue potential from third-party processing agreements

**Taranaki Capital Program Remains Intact**
- Acquisition funded through strategic capital, working capital on hand, and cash flow from CM-1 and CM-2
- NZEC to drill 8 Taranaki wells in H2-2012 → reiterate 3,000 boe/d 2012 exit production

**Copper Moki Proof of Concept → Multi-Zone Target Success**
- CM-3: Moki reservoir promising, bail-out Mt. Messenger success (563 boe/d, 95% oil test)
- CM-4: Mt Messenger faulted but Urenui bail-out is productive (29° API oil)
- CM1 and CM-2: Wells continue to perform, increased gas weighting over time underpins the value of midstream control
Strategic Petroleum Licenses and Assets
Structure of Deal

- C$42 million with $5 million up front and remainder on closing (targeted for October 2012), subject to:
  - Government approvals
  - Origin completing current recommissioning of the TAWN LPG extraction facility
  - Finalizing agreement with Contact Energy regarding Ahuroa gas storage area
  - TSX Venture approval
- 5% gross overriding royalty to Origin for hydrocarbons produced on the Petroleum Licenses
- Origin options an area of Tikorangi formation to use for gas injection, storage and withdrawal, including 8 existing wells
- NZEC retains full exploration rights across Petroleum Licenses and formations so long as exploration does not interfere with gas storage
- NZEC to fund drilling and completion (if warranted) of one oil exploration well into crestal zone of Tikorangi formation to access potential remaining attic oil, from which Origin retains 50% of net production cash proceeds
Upstream Assets – Exploration

**Significant exploration potential**

- Resource consents in place
- Petroleum Licenses renewable without relinquishment
- 16 established drill pads, most with oil and gas production infrastructure
- 93 km² 3D seismic data, 585 km 2D seismic data
- Well log data from 27 wells
- Previous wells demonstrated production potential from Mt. Messenger and Kapuni, with good hydrocarbon shows in Moki and Urenui
- Uphole completion potential in existing wells across the Urenui, Mt. Messenger and Moki formations
- NZEC preliminary assessment of drill-ready leads on 3D seismic
  - 8 Urenui leads
  - 18 Mt. Messenger leads
  - 8 Moki leads
  - 6 leads on 2D seismic, assessment of Kapuni potential underway
Preliminary assessment of leads

- NZEC technical team has reviewed well logs and 3D seismic data covering ~50% of Petroleum Licenses
- Integrating Origin data into NZEC technical database
- Continuing to refine existing leads, assess remainder of property, review potential in deeper formations
- Drill pad review, lead accessibility and uphole completion potential will determine priority in exploration program
Upstream Assets – Well Inventory

- 27 existing wells
- Contact retaining PEP52278 for gas storage in Tariki formation reservoir via 6 wells
- Origin retaining 10-year option for gas storage in Tikorangi formation reservoir via 8 wells
  - Uphole potential if warranted
- NZEC has full rights to 12 wells
  - Uphole completion potential
  - Production potential
- NZEC drilling one exploration well into crestal zone of Tikorangi to access potential attic oil, sharing any hydrocarbon production proceeds 50/50 with Origin
Upstream Assets – Established Infrastructure

- Six wells contribute limited oil production from remaining Tikorangi oil reserves using existing gas lift system.
- Established oil and gas production infrastructure allows for rapid tie-in to Waihapa following exploration and completion success.
  - 59 km of oil/gas mixed product gathering pipelines.
Waihapa Production Station
Midstream Assets – Waihapa Production Station

- Waihapa oil facility
  - 25,000 bbl/d oil processing facility
  - 7,800 bbl oil storage capacity
  - 49-km 15,500 bbl/d oil sales pipeline from Waihapa to Omata Tank Farm
- TAWN gas facility
  - 45 mmcf/d LPG separation capacity
  - 44 mmcf/d compression capacity
  - 51-km 8-inch gas sales pipeline from TAWN to New Plymouth
  - Storage tanks for LNG, butane and propane
- Water disposal operations
  - 3,600 bbl water storage capacity
  - 18,000 bbl/d water injection capacity
- Various contracts relating to Waihapa Production Station
- 100 acres of buffer fields surrounding Waihapa Production Station
Midstream Assets – Strategic Infrastructure

- Only open-access midstream facility in Taranaki Basin → business opportunities for processing third-party gas, liquids, oil and water
- Full-cycle gathering and sales infrastructure
- Central to NZEC’s inventory of exploration prospects
  - Reduces NZEC’s transportation and processing costs
  - Gathering capacity in place to service NZEC’s oil and gas production
  - Sales pipelines in place to deliver NZEC production to market
- Facilitates NZEC’s longer-term growth plans
- NZEC will entertain strategic discussions with other parties regarding midstream business
Waihapa Production Station

- Oil handling facilities
- Condensate tank
- Water handling facilities
- Gas compression facility
- TAWN LPG facilities
- Propane, butane and LPG tanks
- Water reservoir
# Purchase Price Consideration

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>From Initial Public Offering (August 2011)</strong></td>
<td></td>
</tr>
<tr>
<td>Funds allocated for acquisition</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Working capital and other</td>
<td>$2,500,000</td>
</tr>
<tr>
<td><strong>From March 2012 Financing</strong></td>
<td></td>
</tr>
<tr>
<td>Unallocated working capital</td>
<td>$19,800,000</td>
</tr>
<tr>
<td>Castlepoint exploration (scheduled for 2013)</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>East Coast 2D seismic savings</td>
<td>$2,200,000</td>
</tr>
<tr>
<td></td>
<td>$32,000,000</td>
</tr>
<tr>
<td><strong>Anticipated cash flow from production</strong></td>
<td>$10,000,000</td>
</tr>
<tr>
<td><strong>Total purchase price consideration</strong></td>
<td>$42,000,000</td>
</tr>
</tbody>
</table>
Upstream Assets – Land Comparison

Taranaki Basin

Acquisition Package

NZEC Exploration Permits

New Petroleum Licenses
Taranaki Basin – Processing Facilities

- Waihapa Production Station (NZEC Acquisition Target)
- Turangi A Wellsite (Greymouth)
- Pohokura (Shell)
- Oaonui (Shell/Todd)
- Kupe (Origin)
- Rimu (Origin)
- Mckee-Mangahewa (Todd)
- Kaimiro (Greymouth)
- Waihapa Production Station (NZEC Acquisition Target)
- Kapuni (Vector Gas)
## Taranaki Basin – Processing Facilities

<table>
<thead>
<tr>
<th>Facility Operator</th>
<th>Gas Export Capacity</th>
<th>Oil Export Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Waihapa Production Station</strong></td>
<td>45 mmcf/day</td>
<td>15,500 bbl/day</td>
</tr>
<tr>
<td><strong>Turangi A Wellsite</strong></td>
<td>30 mmcf/day</td>
<td>720 bbl/day</td>
</tr>
<tr>
<td><strong>Rimu Production Station</strong></td>
<td>24 mmcf/day</td>
<td>8,250 bbl/day</td>
</tr>
<tr>
<td><strong>Pohokura Production Station</strong></td>
<td>214 mmcf/day</td>
<td>17,850 bbl/day</td>
</tr>
<tr>
<td><strong>Mckee-Mangahewa Station</strong></td>
<td>28 - 47 mmcf/day</td>
<td>1,550 bbl/day</td>
</tr>
<tr>
<td><strong>Oaonui Production Station</strong></td>
<td>229 mmcf/day</td>
<td>24,800 bbl/day</td>
</tr>
</tbody>
</table>
# Taranaki Basin – Processing Facilities

<table>
<thead>
<tr>
<th>Facility Operator</th>
<th>Address</th>
<th>Gas Export Capacity</th>
<th>Oil Export Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kupe Production Station</strong></td>
<td>Siggs / Inaha Road, Manaia, Taranaki</td>
<td>75 mmcf/day</td>
<td>7,000 bbl/day</td>
</tr>
<tr>
<td><strong>Kaimiro Production Station</strong></td>
<td>1180 Upland Rd, Egmont Village, Taranaki</td>
<td>5 mmcf/day</td>
<td>1,550 bbl/day</td>
</tr>
<tr>
<td><strong>Kapuni Production Station</strong></td>
<td>298 Palmer Rd, Kapuni, Taranaki</td>
<td>60 mmcf/day</td>
<td>70 tonne/d natural gasoline</td>
</tr>
<tr>
<td>Facility Operator</td>
<td>Greymouth Petroleum Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Kaimiro Production Station</strong></td>
<td>1180 Upland Rd, Egmont Village, Taranaki</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Kapuni Production Station</strong></td>
<td>298 Palmer Rd, Kapuni, Taranaki</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Gas Storage Agreements

Origin gas storage
- Origin has 10-year option to use an area of the Tikorangi reservoir to potentially inject, store, monitor and withdraw natural gas
- NZEC sees limited exploration potential within gas storage area, other than potential remaining attic oil reserves
- NZEC retains full exploration rights across Petroleum Licenses as long as exploration does not interfere with gas storage

Contact gas storage
- Contact retaining PEP52278 to store gas within Tariki reservoir
Contact NZEC

Corporate Head Office
John Proust, Chief Executive Officer
Bruce McIntyre, President
NA Toll-free: 1-855-601-2010
info@newzealandenergy.com

New Zealand Office
Ian Brown, Chief Operating Officer
Tel: + 64-4-471-1464
NZ Toll-free: 0800-469-363

www.NewZealandEnergy.com