NEW ZEALAND
ENERGY CORP.

First Quarter 2016
Condensed Consolidated Interim Financial Statements

31 March 2016

(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)

	31 March 2016	31 December 2015
Assets		
Current	$	$
Cash and cash equivalents	192,242	431,976
Accounts and other receivables (Note 3)	703,811	722,144
Prepaid expenses	204,413	326,421
Inventories (Note 4)	2,710,871	2,590,748
	3,811,337	**4,071,289**
Non -Current		
Restricted cash	336,564	356,176
Software and proprietary database	127,541	189,432
Property, plant and equipment (Note 5)	22,350,797	23,583,681
Exploration and evaluation assets (Note 6)	-	-
	26,626,239	**28,200,578**
Liabilities		
Current		
Accounts payable and accrued liabilities	1,211,914	1,126,358
	1,211,914	**1,126,358**
Asset retirement obligations (Note 7)	11,181,543	11,006,673
	12,393,457	**12,133,031**
Shareholders' equity		
Share capital (Note 8)	109,738,706	109,738,706
Foreign currency translation reserve	12,190,185	13,080,501
Share based payments reserve	22,528,991	22,514,355
Accumulated deficit	(130,225,100)	(129,266,015)
	14,232,782	**16,067,547**
	26,626,239	**28,200,578**

Description of business and going concern (Note 1)
Commitments (Note 13)
Subsequent events (Note 15)

These consolidated financial statements are authorized for issuance by the Board of Directors on 27 May 2016.

On behalf of the Board of Directors

"James Willis"	*"Mark Dunphy"*
James Willis, Director	Mark Dunphy, Director

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(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, 31 December 2014	**187,873,459**	**108,000,912**	**21,172,579**	**1,349,289**	**12,456,181**	**(119,207,276)**	**23,771,685**
Units issued, at $0.04* (Note 8(a))	44,250,000	1,739,800	-	-	-	-	1,739,800
Stock-based compensation (Note 8(b))	-	-	53,410	-	-	-	53,410
Net loss for the period	-	-	-	-	-	(1,179,930)	(1,179,930)
Other comprehensive income for the period	-	-	-	-	1,198,389	-	1,198,389
Balance, 31 March 2015	**232,123,459**	**109,740,712**	**21,225,989**	**1,349,289**	**13,654,570**	**(120,387,206)**	**25,583,354**
Balance, 31 December 2015	**232,123,459**	**109,738,706**	**21,165,066**	**1,349,289**	**13,080,501**	**(129,266,015)**	**16,067,547**
Stock-based compensation (Note 8(b))	-	-	14,636	-	-	-	14,636
Net loss for the period	-	-	-	-	-	(959,085)	(959,085)
Other comprehensive income for the period	-	-	-	-	(890,316)	-	(890,316)
Balance, 31 March 2016	**232,123,459**	**109,738,706**	**21,179,702**	**1,349,289**	**12,190,185**	**(130,225,100)**	**14,232,782**

*Net of share issue costs

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

		31 March 2016	31 March 2015
		$	$
Revenues (Note 9)		1,458,994	1,196,477
Expenses and other items			
Production costs		136,203	258,880
Processing costs		218,078	230,369
Depreciation		750,552	483,260
Stock-based compensation (Note 8(b))		14,149	49,322
General and administrative (Note 10)		1,132,301	1,287,033
Finance expense		71,331	77,494
Foreign exchange loss		11,064	(9,951)
Abandonment provision movement		84,401	-
		2,418,079	2,376,407
Net loss for the period		**(959,085)**	**(1,179,930)**
Exchange difference on translation of foreign currency (i)		(890,316)	1,198,389
Total comprehensive loss for the period		**(1,849,401)**	**18,459**
Basic and diluted loss per share	$	(0.004)	$ (0.006)
Weighted average shares outstanding		232,123,459	189,384,570

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

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Canadian Dollars)

	31 March 2016	31 March 2015
	$	**$**
Operating activities		
Net loss for the period	(959,085)	(1,179,930)
Changes for non cash operating items		
Stock-based compensation	14,149	49,322
Depreciation and accretion	823,478	550,499
Abandonment provision movement	84,401	-
Foreign exchange loss	(2,146)	(16,942)
Change in non-cash working capital items		
Accounts and other receivables	(21,344)	523,769
Prepaid expenses	104,802	46,410
Inventories	(267,079)	(91,240)
Accounts payable and accrued liabilities	169,636	(542,252)
Cash provided by (used in) operating activities	**(53,188)**	**(660,364)**
Investing activities		
Expenditures on resource properties	-	(13,906)
Purchase of property and equipment	(160,715)	(251,248)
Cash used in investing activities	**(160,715)**	**(265,154)**
Financing activities		
Shares issued (net of share issuance cost) (Note 8(a))	-	1,739,800
Working capital facility	-	(398,573)
Cash provided by financing activities	-	**1,341,227**
Net decrease in cash and cash equivalents during the period	**(213,903)**	**415,709**
Effect of exchange rate changes on cash	(25,831)	37,580
Cash and equivalents, beginning of the period	**431,976**	**1,121,967**
Cash and equivalents, end of the period	**192,242**	**1,575,256**
Supplemental cash flow disclosures		
Changes in accounts payable related to exploration and evaluation assets	-	120,178
Changes in accounts payable related to property, plant and equipme	-	20,559

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

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

New Zealand Energy Corp. (the "Company") commenced operations on 19 April 2010 through its now 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 and production of oil and natural gas in New Zealand, as well as the operation of the midstream assets.

The Company's registered and records office is located at Suite 2800, Park Place, 666 Burrard St, Vancouver BC V6C 2Z7. The Company's principal place of business is 119-125 Devon Street East, New Plymouth, New Zealand 4310.

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

Going Concern

While 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, certain conditions cast significant doubt on the validity of this assumption. For the quarter ended 31 March 2016, the Company reported a Net Loss of $959,085 and a cash outflow from operating activities of $53,188 and as at that date, the Company had working capital of $2,599,423. The Company also has several permit expenditure plans (Note 14) which are associated with the Company's interest in its oil and gas properties and exploration and evaluation assets.

The directors consider the use of the going concern basis is appropriate.

The Company continues to pursue a number of options to improve its financial capacity, including cash flow from oil and gas production, credit facilities, commercial arrangements or other financing alternatives.

The Company's ability to improve its financial capacity and the relative success, and cash flow generated from, intended operations cannot be assured.

These consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities in the normal course of operations. Such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("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 December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

These consolidated 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 2015.

(Expressed in Canadian Dollars)

3. ACCOUNTS AND OTHER RECEIVABLES

	31 March 2016	31 December 2015
	$	$
Trade receivables	276,473	424,215
GST Receivable	49,853	5,505
Other receivables	377,485	292,424
	703,811	**722,144**

4. INVENTORIES

	31 March 2016	31 December 2015
	$	$
Material and supplies	2,183,724	2,313,456
Oil inventories	527,147	277,292
	2,710,871	**2,590,748**

(Expressed in Canadian Dollars)

5. PROPERTY, PLANT AND EQUIPMENT

Cost	Furniture and fixture $	Plant and equipment $	Land and building $	Oil and gas properties $	Total $
Balance, 31 December 2014	497,351	7,921,872	1,376,642	25,636,770	35,432,635
Additions	10,788	41,298	-	276,321	328,407
Disposals / Transfers	(95,529)	(7,425)	-	-	(102,954)
Impairment	-	-	-	(1,674,100)	(1,674,100)
Change in Asset retirement cost due to change in estimate	-	897,436	-	549,936	1,447,372
Foreign currency translation adjustment	11,873	442,376	69,266	1,227,411	1,750,926
Balance, 31 December 2015	**424,483**	**9,295,557**	**1,445,908**	**26,016,338**	**37,182,286**
Additions	-	7,714	-	160,118	167,832
Change in Asset retirement cost due to change in estimate	-	420,593	-	204,949	625,542
Foreign currency translation adjustment	(20,517)	(515,744)	(79,610)	(1,430,546)	(2,046,417)
Balance, 31 March 2016	**403,966**	**9,208,120**	**1,366,298**	**24,950,859**	**35,929,243**
Accumulated depreciation					
Balance, 31 December 2014	244,749	418,357	-	10,882,147	11,545,253
Depreciation and depletion	44,386	369,908	-	1,088,616	1,502,910
Transferred to assets held for sale	(95,529)	(7,425)	-	-	(102,954)
Foreign currency translation adjustment	3,862	42,324	-	607,210	653,396
Balance, 31 December 2015	**197,468**	**823,164**	**-**	**12,577,973**	**13,598,605**
Depreciation and depletion	7,093	89,233	-	631,272	727,598
Foreign currency translation adjustment	(10,668)	(45,771)	-	(691,318)	(747,757)
Balance, 31 March 2016	**193,893**	**866,626**	**-**	**12,517,927**	**13,578,446**
Net book value					
Balance, 31 December 2015	**227,015**	**8,472,393**	**1,445,908**	**13,438,365**	**23,583,681**
Balance, 31 March 2016	**210,073**	**8,341,494**	**1,366,298**	**12,432,932**	**22,350,797**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Taranaki Basin, New Zealand $	East Coast Basin, New Zealand $	Total $
Balance, 31 December 2014	**3,679,452**	**514,113**	**4,193,565**
Additions	55,159	1,932	57,091
Impairment - Eltham	(13,405)	-	(13,405)
Impairment - Alton	(3,683,647)	-	(3,683,647)
Impairment - East Cape	-	(508,235)	(508,235)
Foreign currency translation adjustment	(37,559)	(7,810)	(45,369)
Balance, 31 December 2015	**-**	**-**	**-**
Balance, 31 March 2016	**-**	**-**	**-**

The Company's oil and gas properties are located in New Zealand and its interests in these properties are maintained pursuant to the terms of exploration permits granted by the New Zealand government. The Company is satisfied that evidence supporting the current validity of these permits is adequate and acceptable by prevailing industry practices in respect to the current stage of exploration on these properties.

In 2015 the Company relinquished its interest in the East Cape Petroleum Exploration Permit (PEP 52976); and subsequently assessed and concluded the carrying value of the Alton Exploration and Evaluation CGU exceeded its recoverable.

7. LONG TERM ASSET RETIREMENT OBLIGATIONS

The Company'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 total undiscounted amount of cash flows required to settle the Company's asset retirement obligations is estimated at approximately $18.7 million.

The following table summarizes the Company's asset retirement obligations:

	$
Balance, 31 December 2014	**7,902,421**
Change in estimate	1,914,001
Accretion expense for the year	273,029
Foreign currency translation adjustment	531,000
Reclassified as current	386,222
Balance, 31 December 2015	**11,006,673**
Change in estimate	709,944
Accretion expense for the year	72,926
Foreign currency translation adjustment	(608,000)
Balance, 31 March 2016	**11,181,543**

The following are the assumptions used to estimate the provision for asset retirement obligations:

	2016	**2015**
Total undiscounted value of payments	$18,744,546	$20,230,760
Discount rate	2.25% to 3.02%	2.60%to 3.55%
Expected life	1 to 23 years	1 to 23 years

(Expressed in Canadian Dollars)

8. SHARE CAPITAL

a) Details of issuances of common shares:

i) The Company has an unlimited number of common shares without par value authorized for issuance.

ii) On 15 December 2014, the Company completed a non-brokered private placement issuing 17,000,000 units at a price of $0.05, for gross proceeds of $850,000. Each unit consists of one common share and one common share purchase warrant (refer to Note 8(c)). Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.07 per share extended until 15 December 2018 (see Note 8(c)). These securities were subject to a hold period that expired on April 16 2015.

iii) On 23 March 2015, the Company completed a non-brokered private placement issuing 44,250,000 common shares at a price of $0.04 per share, for gross proceeds of $1,770,000. The shares issued were subject to a four month and one day hold period that expired on 24 July 2015. Total costs in connection with the private placement were $32,206. Geoservices Limited ("Geoservices") subscribed for 29,000,000 shares under the private placement and, upon completion of the private placement, Geoservices owns or controls 46,000,000 common shares or approximately 19.82% of NZEC's total issued and outstanding common shares, and 17,000,000 common share purchase warrants. A resolution passed by vote of the disinterested shareholders of the Company granted approval at the AGM on 16 June 2015, for Geoservices to become a new Control Person of the Company. The purchase of the securities by Geoservices was made for investment purposes. Subject to TSX-V rules, Geoservices may increase or decrease its investment in NZEC depending on market conditions or any other relevant factors.

b) Share purchase options

The Company has adopted a stock option plan which provides that the Board of Directors of the Company may from time to time, at their discretion, and in accordance with TSX Venture Exchange requirements, grant to its directors, officers, employees and consultants non-transferable options to purchase common shares, provided that the number of common shares reserved for issue does not exceed 10% of the number of then outstanding common shares, or 23,212,346 options, based on the total issued and outstanding common shares as at 31 December 2015. 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.

In November 2015 the Company granted 10,000,000 incentive stock options exercisable at $0.05 to a senior officer of the Company. The options have an expiry date of 30 June 2020 and will vest on 30 June 2018.

Details of the Company's share purchase option activity are as follows:

	Number of options	Weighted average exercise price
		$
Outstanding at 31 December 2014	7,917,200	0.54
Granted	10,000,000	0.05
Forfeited	(1,097,375)	0.45
Expired	(4,433,000)	0.61
Outstanding at 31 December 2015	12,386,825	0.13
Expired	(32,625)	0.45
Outstanding at 31 March 2016	**12,354,200**	**0.13**

(Expressed in Canadian Dollars)

The following table summarises information about share options outstanding and exercisable at 31 March 2016:

	Options Outstanding		**Options Exercisable**	
Range of exercise price	**Number of options**	**Weighted average contractual life (years)**	**Number of options**	**Weighted average contractual life (years)**
$0.01 to $0.99	12,354,200	3.91	118,700	2.37
	12,354,200	3.91	118,700	2.37

The following table summarises information about share options outstanding and exercisable at 31 December 2015:

	Options Outstanding		**Options Exercisable**	
Range of exercise price	**Number of options**	**Weighted average contractual life (years)**	**Number of options**	**Weighted average contractual life (years)**
$0.01 to $0.99	12,386,825	4.16	1,971,825	2.58
	12,386,825	4.16	1,971,825	2.58

The total expense relating to share purchase options incurred for the three month period ended 31 March 2016 was $14,149 (2015: $49,322).

The following are the weighted average assumptions employed to estimate the fair value of options granted using the Black-Scholes option pricing model:

	2016	**2015**
Risk-free interest rate	N/A	0.70%
Expected volatility	N/A	69.37%
Expected life	N/A	4.6 years
Expected dividend yield	N/A	Nil%

Option pricing models require the input of subjective assumptions including the expected price volatility and expected option life. Management has calculated expected price volatility using historical share price data of the Company. Changes in these assumptions may have a significant impact on the fair value calculation.

c) Warrants

Warrants issued in unit issuance

On 28 October 2013, the Company completed an oversubscribed private placement, issuing 48,904,355 subscription receipts at a price of $0.33 per subscription receipt. On 21 November 2013, following receipt from the British Columbia Securities Commission for the Company's short form prospectus, the subscription receipts converted into units consisting of one common share and one-half of one non-transferable share purchase warrant of the Company. Each whole warrant entitles the holder to acquire one common share of the Company at price of $0.45 with an expiry date of 28 October 2014. On 1 October 2014, the Company received approval to extend the expiry date of 24,452,178 private placement warrants from 28 October 2014 to 28 October 2015. On 21 October 2015 the Company received approval to extend the expiry date of these warrants to 21 October 2018. These warrants maintain an exercise price of $0.45 which entitles the holder to acquire one common share of the Company.

On 15 December 2014, the Company completed a non-brokered private placement, issuing 17,000,000 units at a price of $0.05. Each unit consists of one common share and one common share purchase warrant.

(Expressed in Canadian Dollars)

These securities were subject to a hold period that expired on 16 April 2015. Each whole warrant entitled the holder thereof to acquire one common share at a price of $0.07 per share until 15 December 2015. On 21 October 2015 the Company received approval to extend the expiry date of these warrants to 15 December 2018.

As at 31 March 2016 all outstanding warrants are exercisable.

Details of the Company's warrant activity are as follows:

	Number of warrants	Weighted average exercise price
		$
Outstanding at 31 December 2014	41,452,178	0.29
Outstanding at 31 December 2015 and 31 March 2016	**41,452,178**	**0.29**

The following are the weighted average assumptions employed to estimate the fair value of the warrants issued using the Black-Scholes warrant pricing model:

	2016	2015
Risk-free interest rate	N/A	N/A
Expected volatility	N/A	N/A
Expected life	N/A	N/A
Expected dividend yield	N/A	N/A

9. REVENUES

	31 March 2016	31 March 2015
	$	$
Oil sales	739,655	719,569
Gas sales	210,010	75,858
Processing revenue (a)	514,607	438,396
Other revenue	36,714	11,012
Royalties	(41,992)	(48,358)
	1,458,994	1,196,477

a) As part of its operations of the TWN Assets, the Company provides services to third parties, including oil handling and pipeline throughput services, gas processing, as well as handling and disposal of produced water. The Company operates the nearby Ahuroa Gas Storage (AGS) Facility on behalf of Contact Energy Limited ("Contact").

(Expressed in Canadian Dollars)

10. GENERAL AND ADMINISTRATIVE EXPENSES

	31 March 2016	31 March 2015
	$	$
Professional fees	88,092	96,745
Management fees	-	2,452
Consulting fees	70,774	125,782
Travel	9,843	25,655
Administrative expenses	99,066	100,953
Rent	35,536	52,185
Filing and transfer agent fees	4,169	7,112
Insurance	41,831	79,103
Salary and wages	782,990	797,046
	1,132,301	**1,287,033**

11. RELATED PARTY TRANSACTIONS

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:

	31 March 2016	31 March 2015
	$	$
Salary and management fees	355,995	299,606
Share-based compensation	13,986	28,599
	369,981	**328,205**

The above transactions occurred in the normal course of operations and were measured at the consideration established and agreed to by the related parties. Included in the above amounts are:

- fees of $26,994 (2015: $Nil) paid to Upstream Consulting Ltd, an entity associated with Mr James Willis;
- fees of $7,589 (2015: $Nil) paid to Arenig Energy Ltd, an entity associated with Dr David Llewellyn;
- fees of $111,739 (2015: $Nil) paid to Michael Adams Reservoir Engineering Limited, an entity associated with Mr Michael Adams;

Greymouth Petroleum Limited

Greymouth Petroleum Ltd became a related party on 23 March 2015 with directors in common. Transactions and balances (revenue, and capital expenditure, to the Company in nature) since that date comprise:

	31 March 2016	31 March 2015
	$	$
Processing revenue	97,883	-
Accounts receivable	33,660	-

The above transactions occurred in the normal course of operation and are at values established on an arm's length basis.

(Expressed in Canadian Dollars)

Tiger Drilling Limited

Tiger Drilling Ltd became a related party on 23 March 2015 with directors in common. Transactions and balances (capital expenditure to the Company in nature) since that date comprise:

	31 March 2016	31 March 2015
	$	$
Oil & Gas properties expenditure	50,350	-

The above transactions occurred in the normal course of operation and are at values established on an arm's length basis.

12. SEGMENTED DISCLOSURES

The Company 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 Company's geographic area for all assets, liabilities and revenues is New Zealand.

13. COMMITMENTS

As at 31 March 2016, the Company had the following undiscounted contractual obligations:

	2016	2017 to 2018	2019 and onwards	Total
	$	$	$	$
Operating lease obligations (1)	120,144	76,352	-	196,496
Contract and purchase commitments	332,650	436,134	526,560	1,295,344
	452,794	**512,486**	**526,560**	**1,491,840**

Note 1. The Company has office leases in Wellington and New Plymouth.

(Expressed in Canadian Dollars)

14. PERMIT EXPENDITURE PLANS

The Company undertakes oil and gas production, development and exploration activities and has plans to complete certain exploration activities. Certain permits and licences held by the Company require various work obligations to be performed in order maintain the permits or licences in good standing. The Company 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 Company 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:

Permit	Type	2016	2017 to 2018	2019 and onwards	Total
		$	$	$	$
Taranaki Basin					
Eltham Permit	Exploration	-	4,039,000	-	4,039,000
Alton Permit (1)	Exploration	3,004,000	3,267,000	-	6,271,000
Total		**3,004,000**	**7,306,000**	**-**	**10,310,000**

Note1. Alton: 2016 - drill a well by 22 November, 2016; 2017: Advanced 2D/3D processing to evaluate sub-thrust targets; 2018 - drill a further exploration well.

15. SUBSEQUENT EVENTS

a) New Zealand Petroleum and Minerals has granted a change of condition for the Alton permit, on 16 April 2016. The change of condition related to the timing of the work programme. The new work programme is reflected in note 14.