NEW ZEALAND ENERGY CORP.

First Quarter 2013
Condensed Consolidated Interim Financial Statements

March 31, 2013

(Expressed in Canadian Dollars)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2013	December 31, 2012
Assets		
Current		
Cash and cash equivalents	5,826,848	5,983,121
Accounts and other receivables (Note 3)	2,631,933	4,097,130
Deposit – short term (Note 4)	36,589,781	35,833,232
Prepaid expenses	284,855	247,511
Inventories (Note 5)	2,866,221	2,976,643
	48,199,638	**49,137,637**
Deposit – long term (Note 4)	5,485,519	5,277,217
Proprietary database	456,824	397,601
Property, plant and equipment (Note 6)	25,793,089	23,867,758
Exploration and evaluation assets (Note 7)	49,610,922	37,379,726
	129,545,992	**116,059,939**
Liabilities		
Current		
Accounts payable and accrued liabilities	8,816,617	10,392,433
Operating line of credit (Note 8)	21,849,385	10,451,359
	30,666,002	**20,843,792**
Asset retirement obligations (Note 9)	3,273,617	2,598,840
	33,939,619	**23,442,632**
Shareholders' equity		
Share capital (Note 10)	93,413,473	93,153,117
Foreign currency translation reserve	5,470,029	1,762,786
Contributed surplus	19,108,960	17,693,647
Accumulated deficit	(22,386,089)	(19,992,243)
	95,606,373	**92,617,307**
	129,545,992	**116,059,939**

Commitments (Note 13)
Subsequent event (Note 14)

These consolidated financial statements are authorized for issuance by the Board of Directors on May 24, 2013.

On behalf of the Board of Directors

"John G. Proust"	*"John A. Greig"*
John G. Proust, Director	John A. Greig, Director

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Share Capital $	Contributed Surplus (stock-based payment) $	Contributed Surplus (advisors warrants) $	Foreign Currency Translation Reserve $	Accumulated Deficit $	Total Equity $
Balance, December 31, 2012	121,769,105	93,153,117	17,470,184	223,463	1,762,786	(19,992,243)	92,617,307
Stock-based compensation (Note 10(c))	-	-	1,475,669	-	-	-	1,475,669
Advisor warrants exercised (Note 10(d))	200,000	260,356	-	(60,356)	-	-	200,000
Net loss for the period	-	-	-	-	-	(2,393,846)	(2,393,846)
Other comprehensive income for the period	-	-	-	-	3,707,243	-	3,707,243
Balance, March 31, 2013	**121,969,105**	**93,413,473**	**18,945,853**	**163,107**	**5,470,029**	**(22,386,089)**	**95,606,373**
Balance, December 31, 2011	**100,609,105**	**33,827,912**	**12,712,018**	**223,463**	**(82,895)**	**(16,911,070)**	**29,769,428**
Common shares, at $3.00 (Note 10(a))	21,160,000	63,480,000	-	-	-	-	63,480,000
Share issue cost	-	(4,023,494)	-	-	-	-	(4,023,493)
Stock-based compensation	-	-	937,658	-	-	-	937,657
Net income for the period	-	-	-	-	-	362,890	362,890
Other comprehensive income for the period	-	-	-	-	436,142	-	436,142
Balance, March 31, 2012	**121,769,105**	**93,284,418**	**13,649,676**	**223,463**	**353,247**	**(16,548,180)**	**90,962,624**

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2013	March 31, 2012
Revenue		
Oil sales	3,061,064	4,087,676
Royalties	(135,806)	(178,993)
	2,925,258	3,908,683
Expenses and other items		
Production costs	1,691,405	771,309
Depreciation	867,042	921,633
Stock-based compensation (Note 10(c))	580,017	579,230
General and administrative (Note 12)	1,682,505	1,261,136
Net finance expense (income)	17,887	(17,111)
Foreign exchange loss	316,338	29,596
Transaction cost	163,910	-
	5,319,104	3,545,793
Net (loss) income for the period	**(2,393,846)**	**362,890**
Other comprehensive income that may subsequently be reclassified to profit or loss		
Exchange difference on translation of foreign currency	3,707,243	436,142
Total comprehensive income for the period	**1,313,397**	**799,032**
Basic and diluted loss per share	**(0.02)**	**0.00**
Weighted average shares outstanding	121,933,549	102,934,380

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Canadian Dollars)
(Unaudited)

	March 31, 2013 $	March 31, 2012 $
Operating activities		
Net (loss) income for the period	(2,393,846)	362,890
Stock-based compensation	580,017	579,230
Depreciation and accretion	890,146	922,833
Foreign exchange (loss) gain	537,946	29,596
Change in non-cash working capital items		
Accounts and other receivables	1,518,092	(1,290,230)
Prepaid expenses	(50,795)	1,454
Short term deposit	-	-
Inventories	381,600	(1,098,488)
Accounts payable and accrued liabilities	(856,580)	493,834
Cash provided by operating activities	**606,580**	**1,119**
Investing activities		
Expenditures on resource properties	(10,738,054)	(3,860,822)
Purchase of proprietary database	(95,556)	(135,951)
Purchase of property and equipment	(1,310,259)	(1,105,545)
Cash used in investing activities	**(12,143,869)**	**(5,102,318)**
Financing activities		
Shares issued (net of share issuance cost)	200,000	59,456,506
Operating line of credit	11,150,631	-
Cash provided by financing activities	**11,350,631**	**59,456,506**
Net (decrease) increase in cash and cash equivalents during the period	**(186,658)**	**54,355,307**
Effect of exchange rate changes on cash	30,385	(1,544)
Cash and equivalents, beginning of the period	**5,983,121**	**16,144,609**
Cash and equivalents, end of the period	**5,826,848**	**70,498,372**
Supplemental cash flow disclosures		
(Decrease) Increase in accounts payable related to exploration and evaluation assets during the period ended March 31	(1,683,990)	4,008,580
Increase in accounts payable related to property and equipment during the period ended March 31	749,421	-

See accompanying notes to the condensed consolidated interim financial statements.

1. GENERAL INFORMATION

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

The Company, through its subsidiaries, is engaged in the production, exploration and development of conventional and unconventional oil and natural gas resources in New Zealand.

The Company's registered and records office is located at Suite 1200 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8. The Company's head office is located at Suite 1680 - 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These 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 IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

The Company has used the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2012, other than the following new standards that were adopted by the Company effective January 1, 2013:

a) IFRS 10 – Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements* ("IFRS 10"), which replaces IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company has determined that there is no impact on its consolidated interim financial statements arising from this standard.

b) IFRS 11 – Joint Arrangements

In May 2011, the IASB issued IFRS 11 *Joint Arrangements* ("IFRS 11"), which replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. The Company has determined that there is no impact on its consolidated interim financial statements arising from this standard.

c) IFRS 12 – Disclosure of Interests in Other Entities

In May 2011, the IASB issued IFRS 12 *Disclosure of Interests in Other Entities* ("IFRS 12"), which establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) *IFRS 12 – Disclosure of Interests in Other Entities* (continued)

The Company has determined that there is no impact on its consolidated interim financial statements arising from this standard, however, additional disclosures may be included in the Company's annual consolidated financial statements.

These condensed consolidated interim financial statements were approved for issuance by the Company's Board of Directors on May 24, 2013.

3. ACCOUNTS AND OTHER RECEIVABLES

	March 31, 2013 $	December 31, 2012 $
Trade receivables	833,865	2,320,704
Other receivables	1,798,068	1,776,426
	2,631,933	**4,097,130**

4. DEPOSIT

	March 31, 2013	December 31, 2012
Short term:		
Term deposit (a)	35,568,766	34,837,864
Drilling service deposit-short term (b)	1,021,015	995,368
	36,589,781	35,833,232
Long term:		
Acquisition deposit	5,406,178	5,190,057
Other retainers and deposit	79,341	87,158
	5,485,519	5,277,217
	42,075,300	**41,110,449**

a) The Company has entered into an agreement (the "Origin Agreement") with Origin Energy Resources NZ (TAWN) Limited, a wholly-owned subsidiary of Origin Energy Limited (collectively "Origin") to acquire upstream and midstream assets (the "Acquisition"). These assets include four Petroleum Mining Licenses totalling 26,907 acres in the main Taranaki Basin production fairway (the "Petroleum Licenses") as well as the Waihapa Production Station and associated gathering and sales infrastructure. Under the terms of the Origin Agreement, and pursuant to an exclusive arrangement, the Company has agreed to pay Origin consideration in the amount of $42 million in cash, payable in the US$ equivalent of US$40.6 million applying a fixed US$/C$ exchange rate of 1.0349, and such other adjustments as may be required at closing. A $5 million Acquisition deposit was paid with the remainder due on closing, which is anticipated to occur during 2013. Closing of the Acquisition is contingent on receiving government approvals, Origin completing the current recommissioning of the TAWN LPG extraction facility, Origin and/or NZEC entering into an agreement with Contact Energy regarding ongoing operation of Contact's Ahuroa gas storage facility, and standard TSX Venture Exchange approvals. Following the announcement of the Acquisition, NZEC deposited US$35 million in the Company's name with HSBC in New Zealand as required by the Origin Agreement. This deposit also serves as security for an operating line of credit of US$34.5 million secured with HSBC (Note 8).

b) The Company has set up a US$1 million deposit which is held in escrow by a contractor for providing a drilling rig and drilling services to the Company in the Taranaki Basin. During the period, the Company announced that it is delaying the remaining two wells in its Eltham/Alton program in order to focus on the commercial opportunities arising from the Origin Agreement. As a result, the drilling contractor was demobilized subsequent to the period end.

(Expressed in Canadian Dollars)

5. INVENTORIES

	March 31, 2013 $	December 31, 2012 $
Materials and supplies	2,061,978	2,687,423
Oil inventories (a)	804,243	289,220
	2,866,221	**2,976,643**

(a) During the three-month period ended March 31, 2013, $2,626,567 (March 31, 2012: $1,692,942) of inventory cost was expensed to the statement of comprehensive loss.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture, Equipment and Fixture	Land and Building	Oil and Gas Properties	Total
Cost				
Balance, December 31, 2011	267,100	-	5,557,577	5,824,677
Additions	6,962,451	985,610	268,368	8,214,429
Asset retirement obligation recognized	-	-	464,424	464,424
Reclassification	(148,225)	-	-	(148,225)
Transfer from exploration and evaluation assets	-	-	13,756,783	13,756,783
Foreign currency translation adjustment	55,390	(3,728)	269,028	320,690
Balance, December 31, 2012	**7,136,716**	**981,882**	**20,316,180**	**28,434,778**
Additions	2,041,829	-	-	2,041,829
Asset retirement obligation recognized	-	-	(66,253)	(66,253)
Reclassification	-	-	-	-
Transfer from exploration and evaluation assets	-	-	-	-
Foreign currency translation adjustment	312,049	40,887	837,110	1,190,046
Balance, March 31, 2013	**9,490,594**	**1,022,769**	**21,087,037**	**31,600,400**
Accumulated depreciation				
Balance, December 31, 2011	17,183	-	297,983	315,166
Depreciation and depletion charge	1,084,419	-	3,117,010	4,201,429
Foreign currency translation adjustment	13,064	-	37,361	50,425
Balance, December 31, 2012	**1,114,666**	**-**	**3,452,354**	**4,567,020**
Depreciation and depletion charge	336,920	-	704,271	1,041,191
Foreign currency translation adjustment	60,517	-	138,583	199,100
Balance, March 31, 2013	**1,512,103**	**-**	**4,295,208**	**5,807,311**
Net book value				
Balance, December 31, 2012	**6,022,050**	**981,882**	**16,863,826**	**23,867,758**
Balance, March 31, 2013	**7,978,491**	**1,022,769**	**16,791,829**	**25,793,089**

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

	Taranaki Basin, New Zealand	**East Coast Basin, New Zealand**	**Total**
Balance, December 31, 2011	2,477,835	3,574,864	6,052,699
Additions	39,615,549	5,444,247	45,059,796
Recoveries	(2,449,231)	-	(2,449,231)
Asset retirement obligation recognized	1,663,474	328,929	1,992,403
Transfer to property, plant and equipment	(13,756,783)	-	(13,756,783)
Foreign currency translation adjustment	311,499	169,343	480,842
Balance, December 31, 2012	**27,862,343**	**9,517,383**	**37,379,726**
Additions	9,211,078	758,100	9,969,178
Asset retirement obligation recognized	612,629	(10,913)	601,716
Foreign currency translation adjustment	1,257,507	402,795	1,660,302
Balance, March 31, 2013	**38,943,557**	**10,667,365**	**49,610,922**

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.

8. OPERATING LINE OF CREDIT

Under the terms of the Origin Agreement, the Company was required to place the balance of the purchase price (US$35 million) on deposit with a registered bank in New Zealand. On October 17, 2012, the Company placed US$35 million (Note 4) on deposit in the Company's name with HSBC and subsequently secured an operating line of credit against such deposit with HSBC. The operating line of credit is limited to an amount of US$34.5 million and bears interest at LIBOR plus 0.3% with an initial maturity date of May 16, 2013.

As at March 31, 2013 the company had drawn down US$21,500,000 or $21,849,385 (December 31, 2012: $US 10,500,000 or $10,451,359). Subsequent to period end, the Company drew an additional amount of US$ 5.9 million against the operating line of credit. HSBC also agreed to extend the maturity date to September 30, 2013 (Note 14(a)). Due to the near-term maturity of the operating line of credit, the carrying value is considered to closely approximate the fair value of the instrument.

(Expressed in Canadian Dollars)

9. ASSET RETIREMENT OBLIGATIONS

The Company's asset retirement obligations are estimated based on the costs to abandon and reclaim the wells and 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 $4,113,408.

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

Balance, December 31, 2011	**154,914**
Liabilities recognized during the year	2,456,827
Abandonment costs incurred during the year	(35,961)
Accretion expense for the year	8,442
Foreign currency translation adjustment	14,618
Balance, December 31, 2012	**2,598,840**
Liabilities recognized during the period	676,074
Change in estimate	(138,708)
Accretion expense for the period	23,130
Foreign currency translation adjustment	114,281
Balance, March 31, 2013	**3,273,617**

As at March 31, 2013, the current portion of asset retirement obligations is $Nil.

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

	2013	**2012**
Total undiscounted value of payments	4,113,408	$3,441,968
Discount rate	2.43% to 3.51%	2.55% to 3.56%
Expected life	2 to 13 years	2 to 10 years

10. 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 March 24, 2012, the Company closed a bought deal financing of 21,160,000 common shares at a price of $3.00 per common share for gross proceeds of $63,480,000. The Company recorded transaction fees of $4,154,795 which include a finder's fee of $3,808,800 to its agent.

b) Escrowed shares

In accordance with a lock-up agreement, an escrow agreement and a pooling agreement, 46,394,334 common shares owned or controlled by certain directors and officers of the Company were escrowed at August 3, 2011. The shares will be released over 36 months from August 3, 2011 as follows:

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

b) Escrowed shares (continued)

Release Date	Number of Common Shares
August 3, 2011	200,000 (released)
February 3, 2012	300,000 (released)
July 19, 2012	5,853,934 (released)
August 3, 2012	6,773,400 (released)
February 3, 2013	8,851,200 (released)
August 3, 2013	8,851,200
February 3, 2014	8,851,200
August 3, 2014	6,713,400
Total	46,394,334

c) 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 12,196,910 options, based on the total issued and outstanding common shares as at March 31, 2013. 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.

A continuity table of share purchase options for the period ended March 31, 2013 is as follows:

	Number of Options	Weighted Average Exercise Price $
Outstanding at December 31, 2011	5,298,000	$1.00
Granted	3,986,000	$1.85
Forfeited	(100,000)	$1.00
Outstanding at December 31, 2012	9,184,000	$1.37
Granted	797,200	$1.14
Outstanding at March 31, 2013	9,981,200	1.35

The following table summarises information about share options outstanding and exercisable at March 31, 2013:

	Options Outstanding		Options Exercisable	
Range of Exercise Prices	Number of Options	Weighted Average Contractual Life (Years)	Number of Options	Weighted Average Contractual Life (Years)
$1.00 to $1.49	6,518,200	3.41	4,080,000	3.10
$1.50 to $1.99	1,949,000	4.31	237,250	4.32
$2.00 to $2.49	1,213,000	4.48	226,500	4.46
$2.50 to $3.00	301,000	4.01	106,500	3.99
	9,981,200	3.73	4,650,250	3.25

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

c) Share purchase options (continued)

The following table summarises information about share options outstanding and exercisable at December 31, 2012:

	Options Outstanding		Options Exercisable	
Range of Exercise Prices	**Number of Options**	**Weighted Average Contractual Life (Years)**	**Number of Options**	**Weighted Average Contractual Life (Years)**
\$1.00 to \$1.49	5,721,000	3.46	2,754,750	3.32
\$1.50 to \$1.99	1,949,000	4.56	-	-
\$2.00 to \$2.49	1,213,000	4.72	-	-
\$2.50 to \$3.00	301,000	4.26	75,250	4.26
	9,184,000	3.88	2,830,000	3.34

The total expense relating to share purchase options incurred for the three month period ended March 31, 2013 was \$1,475,669 of which \$580,017 has been expensed in the statement of comprehensive income (loss) and \$45,348 and \$850,304 has been capitalized to inventory and exploration and evaluation assets respectively.

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

	2013	**2012**
Risk-free interest rate	1.37%	1.23%
Expected volatility	116.73%	118.28%
Expected life	5 years	5 years
Expected dividend yield	Nil%	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 data from comparable companies in the industry. Changes in these assumptions may have a significant impact on the fair value calculation.

d) Advisors warrants

The Company granted 657,315 warrants to advisors in connection with the initial public offering to purchase common shares. On January 16, 2013, 200,000 of these warrants were exercised for the price of \$1.00 per share. The Company reallocated \$60,356 from contributed surplus to share capital as a result of the exercise of 200,000 advisor warrants, The remainder of the outstanding warrants expired on February 3, 2013.

A continuity table of share purchase warrants for the period ended March 31, 2013 is as follows:

	Number of Options	**Weighted Average Exercise Price \$**
Outstanding at December 31, 2011 and 2012	657,315	\$1.00
Exercised	(200,000)	\$1.00
Expired	(457,315)	\$1.00
Outstanding at March 31, 2013	-	-

(Expressed in Canadian Dollars)

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:

	Three months ended March 31, 2013 $	Three months ended March 31, 2012 $
Salary and management fees	731,251	374,150
Share-based compensation	571,888	770,653
	1,303,139	1,144,803

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

12. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2013 $	March 31, 2012 $
Professional fees	209,976	83,658
Management fees	310,727	287,426
Consulting fees	169,163	536,598
Travel and promotion	100,246	159,829
Administrative expenses	266,020	47,876
Rent	44,971	20,443
Filing and transfer agent fees	40,269	108,232
Insurance	47,223	17,074
Salary and wages	493,910	-
	1,682,505	**1,261,136**

13. COMMITMENTS

As at March 31, 2013, the Company had the following undiscounted contractual obligations:

	Less than 1 year	1–3 years	3–5 years	Total
Accounts payable	8,159,000	-	-	8,159,000
Operating lease obligations (1)	160,000	428,000	444,000	1,032,000
Contract and purchase commitments (2)	5,982,000	-	-	5,982,000
Minimum work program requirements (3)	17,234,000	21,478,000	6,592,000	45,304,000
Origin Agreement (4)	37,000,000	-	-	37,000,000
Operating line of credit	21,849,000	-	-	21,849,000
Environmental obligations (5)	-	350,000	3,805,000	4,155,000
Total	90,384,000	22,256,000	10,841,000	123,481,000

13. COMMITMENTS (continued)

(1) The Company has office leases for its offices in Vancouver, Wellington and New Plymouth.
(2) The Company entered into several management and consulting agreements, some of which relate to services to be rendered in connection with exploration work programs commitments.
(3) The Company has committed to complete certain minimum work program requirements in order to maintain its various resource permits.
(4) The Company entered into the Origin Agreement whereby the Company would acquire Origin's Waihapa Production Station and four Petroleum Licences in exchange for $42 million (US$40.6 million at 1.0349 C$/US$). The Company has paid a $5 million deposit (Note 4) and will pay the balance of the purchase price and such other adjustments as may be required upon completion of the Origin Agreement.
(5) The Company has recognized an undiscounted asset retirement obligation of $4.16 million.

At March 31 2013, the Company had $5,826,848 in cash and cash equivalents (December 31, 2012: $5,983,121) and $17,533,636 in working capital (December 31, 2012: $28,293,845). Based on the available working capital, as well as forecasted positive net cash flow from operations, management has estimated that the Company has sufficient capital to meet short-term operating requirements. However, in order to meet all required and planned capital expenditures for the next 12 months, the Company is considering a number of options to increase its financial capacity. These options include increasing cash flow from oil production, credit facilities, joint arrangements, commercial arrangements or other financing alternatives.

14. SUBSEQUENT EVENT

a) Subsequent to March 31, 2013, the Company drew an additional US$5.9 million against its existing operating line of credit. HSBC also agreed to extend the maturity date to September 30, 2013 (Note 8).