

## **NEWS RELEASE**

### **New Zealand Energy Commences Production from Copper Moki-3**

**July 09, 2012 – Vancouver, British Columbia** – New Zealand Energy Corp. (“NZE” or the “Company”) (TSX-V: NZ, OTCQX: NZERF) is pleased to provide an update on production activities on its 100%-owned Eltham Permit in the Taranaki Basin of New Zealand’s North Island.

#### **Highlights**

- Copper Moki-3 is producing approximately 242 barrels of oil per day (“bbl/d”) and 135 thousand cubic feet of natural gas per day<sup>1</sup> (“mcf/d”)
- Average production in June from Copper Moki-1 and Copper Moki-2 was approximately 688 barrels of oil equivalent per day (391 bbl/d and 1,784 mcf/d)
- Copper Moki gas pipeline is complete and tied in to Waihapa Production Station
- Eight-well drill program to commence in early August

#### **Copper Moki Production Update**

Copper Moki-1 and Copper Moki-2 continue to flow from natural reservoir pressure, with a total of more than 132,000 barrels of oil produced to date. Copper Moki-3 flowed 7,456 barrels of oil and 4,765 mcf of natural gas<sup>1</sup> during production testing and commenced continuous production on July 2, 2012. The well is producing from natural reservoir pressure out of the Mt. Messenger formation at an average rate of 242 bbl/d and 135 mcf/d<sup>1</sup> through a 20/64 inch choke.

NZE’s natural gas pipeline is complete and tied in to the Waihapa Production Station. The operator is finalizing arrangements to receive the gas and NZE expects to begin generating cash flow from its natural gas production in July.

NZE has completed a production test of Copper Moki-4, the Company’s first Urenui formation well. The well produces 29° API oil which has a higher temperature pour point than Mt. Messenger oil. The well is shut in while NZE completes the well test analyses and economic evaluation of artificial lift systems required to make a production decision for Copper Moki-4.

On behalf of the Board of Directors

*“Bruce McIntyre”*

President & Director

#### **About New Zealand Energy Corp.**

NZE is an oil and natural gas company engaged in the production, development and exploration of petroleum and natural gas assets in New Zealand. NZE’s property portfolio collectively covers two million acres of conventional and unconventional prospects in the Taranaki Basin and East Coast Basin of New Zealand’s North

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<sup>1</sup> Natural gas and associated liquids will be flared until the well can be tied in to NZE’s natural gas pipeline.

Island. The Company's management team has extensive experience exploring and developing oil and natural gas fields in New Zealand and Canada, and takes a multi-disciplinary approach to value creation with a track record of successful discoveries. NZEC plans to add shareholder value by executing a technically disciplined exploration and development program focused on the onshore and offshore oil and natural gas resources in the politically and fiscally stable country of New Zealand. NZEC is listed on the TSX Venture Exchange under the symbol NZ and on the OTCQX International under the symbol NZERF. More information is available at [www.newzealandenergy.com](http://www.newzealandenergy.com) or by emailing [info@newzealandenergy.com](mailto:info@newzealandenergy.com).

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## **Forward-looking Statements**

*This news release contains certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). The use of any of the words "commence", "finalizing", "expects" 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, including without limitation, the speculative nature of exploration, appraisal and development of oil and natural gas properties; uncertainties associated with estimating oil and natural gas resources; uncertainties in both daily and long-term production rates and resulting cash flow; volatility in market prices for oil and natural gas; 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; the need to obtain various approvals before exploring and producing oil and natural gas resources; the need to obtain government approval of work programs before exploring or developing the Petroleum Licenses; uncertainty in the timing of receipt of permits and the Company's ability to extend the permits if required; exploration hazards and risks inherent in oil and natural gas exploration; operating hazards and risks inherent in oil and natural gas operations; market conditions that prevent the Company 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 as disclosed in documents released by NZEC as part of its continuous disclosure obligations. Information concerning reserves may also be deemed to be forward looking as estimates imply that the reserves described can be profitably produced in the future. NZEC 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 this news release should not be unduly relied upon. These statements speak only as of the date of this news release and NZEC does not undertake to update any forward-looking statements that are contained in this news release, except in accordance with applicable securities laws.*

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