

**NEWS RELEASE****New Zealand Energy Operational Update**

**January 17, 2013 – Vancouver, British Columbia** – New Zealand Energy Corp. (“NZE” or the “Company”) (TSX-V: NZ, OTCQX: NZERF) today provided an update on the Company’s exploration and production activities in the Taranaki Basin of New Zealand’s North Island.

Waitapu-2 commenced continuous production at the end of December 2012 and produced at an average rate of 151 barrels of oil per day over the first two weeks of January. The three Copper Moki wells (CM-1, CM-2 and CM-3) have collectively produced at an average rate of 273 barrels of oil per day over the first two weeks of January. All four wells are producing light (~40° API), high-quality oil from the Mt. Messenger formation. Oil is trucked approximately 45km to the Shell-operated Omata Tank Farm in New Plymouth and sold at Brent pricing, generating a top-tier netback.

Completion operations are underway at two wells on the Arakamu site. Arakamu-1A reached target depth in the Moki formation at a vertical depth of 2,650 metres. NZE has cased the well to depth and will perforate the Moki formation shortly. In December the Arakamu-2 well was perforated across two intervals in the Mt. Messenger formation. A service rig is working on the well to remove stuck tubing in order to allow completion operations to proceed.

NZE’s contracted drill rig has been moved to the Wairere site and the Company expects to spud the Wairere-1 well by the end of the week, targeting the Mt. Messenger formation at approximately 1,900 metres. Wairere is NZE’s fourth drill site, located approximately 3.75 km southwest of the Company’s Copper Moki site and 7.5 km southwest of the Waihapa Production Station.

On behalf of the Board of Directors

*“Bruce McIntyre”*

Executive 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 approximately 2.27 million acres (including pending permits) of conventional and unconventional prospects in the Taranaki Basin and East Coast Basin of New Zealand’s north 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. NZE 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 “will”, “proceed”, “expects”, “in order to”, “targeting” 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; 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. 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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