

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

October 2, 2014 – Vancouver, British Columbia – New Zealand Energy Corp. (“NZE” or the “Company”) (TSX-V: NZ, OTCQX: NZERF) today provided an update on production and development activities on the Company’s properties in the Taranaki Basin of New Zealand’s North Island.

Total corporate production during September 2014 averaged 205 barrels of oil per day (“bbl/d”) net to NZEC, unchanged from the August average of 205 bbl/d and in line with the average of 214 bbl/d for the first six months of 2014. In addition to oil production, during September NZEC sold eight terrajoules of Copper Moki natural gas production.

Average Daily Oil Production net to NZEC (bbl/d)								
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
202	228	233	228	201	231	202	205	205

The TWN Joint Arrangement (“TWN JA”) (the 50/50 NZEC/L&M Energy partnership that owns the TWN Licenses) continues to review opportunities to enhance production from the TWN wells. The TWN JA has completed reservoir build-up surveys and gradient tests on the Waihapa-H1, Waihapa-6 and Ngaere-1 wells (see Figure 1). This information will be used to determine the optimum lift mechanism and flow period for the wells. The Toko-2B well high-volume lift continues to pump at the maximum rate of 9,000 boe/d with current production of approximately 25 bbl/d (100%).

As announced on September 24, NZEC has executed a working capital facility agreement with New Dawn Energy Limited for up to NZ\$5 million, to be used for NZEC’s share of expenditures and equipment required to advance the TWN Assets, and for other working capital purposes as agreed to by New Dawn Energy. NZEC and the TWN JA are prioritizing additional development opportunities on the TWN Licenses.

One of NZEC’s first draw-downs against the facility will be applied to workover of the Waihapa-2 well. Rig work will commence mid-October to recomplete the well with dual packers to segregate the upper and lower Mt. Messenger zones. This will allow the zones to be tested both separately and collectively, providing production flexibility and allowing the TWN JA to gain valuable information about both Mt. Messenger zones. Following this work, surface jet pumping facilities will be installed, with first production from Waihapa-2 expected by year-end 2014.

Third-party revenue from the Waihapa Production Station since closing the TWN Acquisition totals approximately NZ\$1.63 million to NZEC. The Waihapa Production Station was shut down on September 28 to carry out inspection and recertification of a number of pressure vessels. The plant will be shut down for eight days, which will impact October production from the TWN wells. Production from the Copper Moki Permit is not affected.

On behalf of the Board of Directors

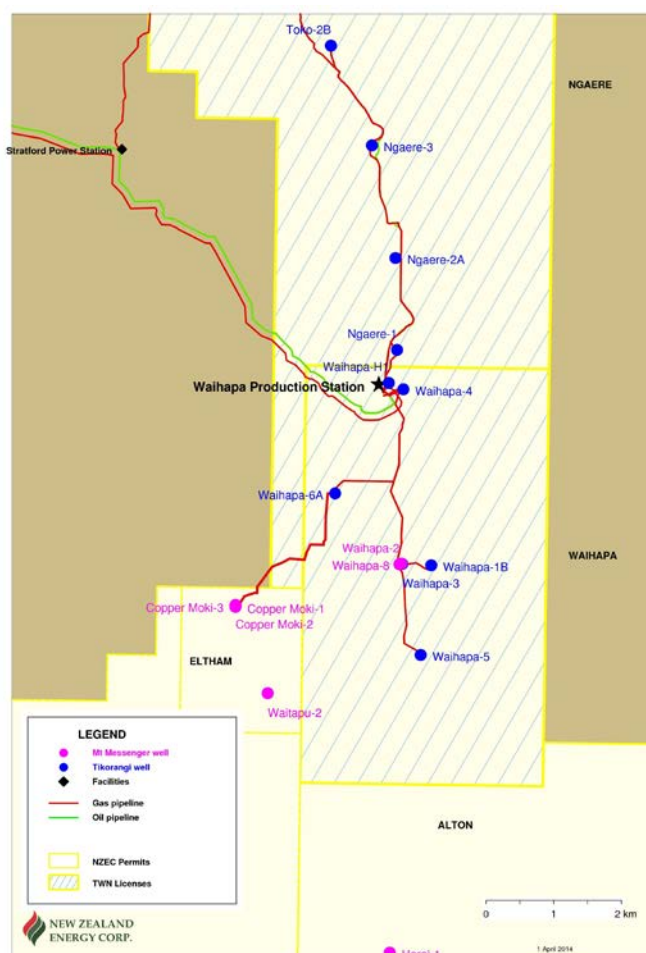
“John Proust”

Chief Executive Officer & Director

About New Zealand Energy Corp.

NZEC is an oil and natural gas company engaged in the production, development and exploration of petroleum and natural gas assets in New Zealand. NZEC's property portfolio collectively covers approximately 1.15 million acres 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 oil and gas exploration and operations experience in New Zealand. NZEC plans to execute 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 or by emailing info@newzealandenergy.com.

Figure 1 – NZEC's Production & Development Wells – Status at September 30, 2014



Well Name	Permit	Formation	Notes
<u>Producing Wells</u>			
Copper Moki-1	Copper Moki	Mt. M	Producing since Dec 2011
Copper Moki-2	Copper Moki	Mt. M	Producing since Apr 2012
Waitapu-2	Copper Moki	Mt. M	Produced Dec 2012 – May 2013 Recommended oil prod. Mar 2014
Ngaere-1	TWN	Tikorangi	Oil prod. reactivated Nov 2013 Producing on rest/recovery
Ngaere-2A	TWN	Tikorangi	Oil prod. reactivated Nov 2013 Producing on rest/recovery
Ngaere-3	TWN	Tikorangi	Oil prod. reactivated Nov 2013 Producing on rest/recovery
Waihapa-H1	TWN	Tikorangi	Oil prod. reactivated Nov 2013 Producing on rest/recovery
Waihapa-6A	TWN	Tikorangi	Oil prod. reactivated Nov 2013 Producing on rest/recovery
Waihapa-8	TWN	Mt. M	Commenced oil prod. Mar 2014
Toko-2B	TWN	Tikorangi	Oil prod. reactivated Nov 2013 Recommended prod. on June 28 with high-volume lift
<u>Producing wells current shut-in</u>			
Waihapa-2	TWN	Mt. M	Commenced oil prod. Apr 2014 Shut-in after sanding off. Workover and jet pump installation targeted for October
Copper Moki-3	Copper Moki	Mt. M	Producing since Jul 2012, shut-in pending installation of artificial lift
<u>Additional Opportunities</u>			
Waihapa-1B	TWN	Tikorangi	Evaluating potential for possible re-entry into the Tikorangi
Waihapa-3	TWN	Mt. M	Uphole completion potential
Waihapa-4	TWN	Mt. M	Uphole completion potential
Waihapa-5	TWN	Mt. M	Uphole completion potential
Horoi	Alton	Mt. M	New exploration well

Mt. M – Mt. Messenger Formation

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