

NEWS RELEASE

New Zealand Energy Announces Extension of Term for the Tariki, Waihapa and Ngaere Petroleum Mining Licences (PMLs)

10 June 2016 – Wellington, New Zealand - New Zealand Energy Corp. ("NZEC" or the "Company") (TSX-V: NZ) today announced that the New Zealand regulator, New Zealand Petroleum & Minerals (**NZP&M**), has granted the Company's applications for extension of term for the Tariki (PML 38138), Waihapa (PML 38140) and Ngaere (PML 38141) licences.

NZEC is the operator of each PML and holds a 50% permit share with L&M Energy Limited the other 50% permit owner.

The Waihapa and Ngaere PMLs have been extended for a period of 20 years (from 19 June 2016) and the Tariki PML has been extended for a period of 5 years (from 20 July 2016). The Waihapa and Ngaere PML work programmes, as agreed with NZP&M, include requirements on the permit holders to undertake reservoir modelling, field development work and undertake a comprehensive evaluation of prospectivity together with a requirement to restore the Waihapa 1B well to production (Waihapa PML) and implement an enhanced oil recovery project (Ngaere PML).

The agreed work programme for the Tariki PML requires the permit owners to complete dynamic reservoir modelling, determine the economic viability of the permit resource and either commit to implementation of the preferred development project or surrender the permit.

NZEC Chairman James Willis said "we are very pleased to have received NZP&M approval of our PML extension applications which now enable the permit owners to move forward with our field development plans".

On behalf of the Board of Directors

"James Willis"

Chairman

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