

NEWS RELEASE

New Zealand Energy Corp Announces Second Quarter 2017 Results

28 August 2017 – Wellington, New Zealand - New Zealand Energy Corp. ("NZEC" or the "Company") (TSX-V: NZ) announced today it has filed with Canadian regulatory authorities its second quarter 2017 financial results and management discussion and analysis, which documents are available on the Company's website at www.newzealandenergy.com and on SEDAR at www.sedar.com.

Cash provided by operating activities for the six months was \$65,608 (2016: -\$47,625) and for the quarter was -\$58,987 (2016: \$5,563). The net loss for the six months was \$1,143,293 (2016: \$1,760,264), of which \$854,269 was represented by non-cash items (depreciation, depletion and accretion). For the quarter, the net loss was \$562,449 (2016: \$801,177) of which \$380,872 was non-cash (depreciation, depletion and accretion). The Company achieved average net daily production of 152 boe/d (86% oil) for the six months (2016: 271 boe/d (74% oil)); and for the quarter 145 boe/d (83% oil) compared to 217 boe/d (72% oil) during the second quarter of 2016.

Reflecting on the Company's second quarter 2017 results, Chairman James Willis said "I am encouraged by the work Mike and his team are doing – technically, operationally and commercially. During the quarter, progress has been made on upgrading gas processing and infrastructure ahead of the next stage implementation of the Waihapa enhanced oil recovery project. Commercially, there has been incremental building of the midstream business which is an important part of the strategy to make the business an ongoing success".

On behalf of the Board of Directors

"James Willis"

Chairman

New Zealand Energy Corp.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FORWARD-LOOKING INFORMATION AND CAUTIONARY NOTE REGARDING RESERVE ESTIMATES

This document, the consolidated financial statements for the quarter ended 30 June 2017 and the Management's Discussion and Analysis contain certain forward-looking information, forward-looking statements ("forward-looking statements"). The reader's attention is specifically drawn to the qualifications, disclosure and cautionary statements in these documents regarding forward-looking statements and reserve and resource estimates.

The Company notes that such forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond NZEC's control, the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, operational risks in exploration and development, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal and external sources. Although the Company believes that the expectations in its forward-looking statements are reasonable, they are based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward looking information.

As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. All forward-looking statements are made as of the date of this document or the date of the documents referenced above, except as required by applicable law, the Company does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.