

New Zealand Energy Corp.

Investor Business Update

November / December 2015



Cautionary Notes

FORWARD-LOOKING INFORMATION

This document 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”, “objective”, “plan”, “seek”, “expect”, “potential”, “pursue”, “subject to”, “can”, “could”, “hopeful”, “contingent”, “anticipate”, “look forward”, 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. Such forward-looking statements should not be unduly relied upon. The Company 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. This document contains forward-looking statements and assumptions pertaining to the following: business strategy, strength and focus; the granting of regulatory approvals; the timing for receipt of regulatory approvals; geological and engineering estimates relating to the resource potential of the properties; the estimated quantity and quality of the Company's oil and natural gas resources; supply and demand for oil and natural gas and the Company's ability to market crude oil and natural gas; expectations regarding the Company's ability to continually add to reserves and resources through acquisitions and development; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the Company's ability to raise capital on appropriate terms, or at all; the ability of the Company's subsidiaries to obtain mining permits and access rights in respect of land and resource and environmental consents; the recoverability of the Company's crude oil, natural gas reserves and resources; and future capital expenditures to be made by the Company. Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in the document, such as the speculative nature of exploration, appraisal and development of oil and natural gas properties; uncertainties associated with estimating oil and natural gas resources; 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; operating hazards and risks inherent in oil and natural gas operations; volatility in market prices for oil and natural gas; 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. Readers are cautioned that the foregoing list of factors is not exhaustive. Statements relating to “reserves and resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources described can be profitably produced in the future. This document includes references to management's forecasts of future development, probability of success, production and cash flows from such operations, which represent management's best estimates at the time. The forward-looking statements contained in the document are expressly qualified by this cautionary statement. These statements speak only as of the date of this document and the Company does not undertake to update any forward-looking statements that are contained in this document, except in accordance with applicable securities laws. More information is available in the audited consolidated financial statements and the associated MD&A of the Company for the year ended December 31, 2014, and the unaudited condensed consolidated interim financial statements and MD&A for the period ended September 30, 2015 as publicly filed on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING RESERVE & RESOURCE ESTIMATES

The oil and gas reserves calculations and income projections were estimated in accordance with the Canadian Oil and Gas Evaluation Handbook (“COGEH”) and National Instrument 51-101 (“NI 51-101”). The term barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf: one bbl was used by NZEC. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Revenue projections presented are based in part on forecasts of market prices, current exchange rates, inflation, market demand and government policy which are subject to uncertainties and may in future differ materially from the forecasts above. Present values of future net revenues do not necessarily represent the fair market value of the reserves evaluated. The report also contains forward-looking statements including expectations of future production and capital expenditures. 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. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause the actual results to differ from those anticipated. Contingent resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. Prospective resources are those quantities of oil and gas estimated on a given date to be potentially recoverable from undiscovered accumulations. The resources reported are estimates only and there is no certainty that any portion of the reported resources will be discovered and that, if discovered, it will be economically viable or technically feasible to produce. More information is available in the Company's Form F1-101F1 Statement of Reserves Data and Other Oil and Gas Information dated April 30, 2015, which is filed on SEDAR at www.sedar.com.

Agenda

- 1. Introductions**
- 2. Current Status**
- 3. Plans and Growth**
- 4. Activities**
- 5. HSE**
- 6. Summary**

Current Status

1. New CEO - with extensive relevant NZ experience
2. New Board with three members, all new
3. Disciplined approach to all expenditure. Challenging conventional approaches encouraged.
4. Focus on development and optimisation projects maximising value of existing wells and connected infrastructure
5. Shift from frontier exploration to focus on Taranaki basin
6. Pursue external growth opportunities in Taranaki against strict investment criteria
7. HSE remains essential to our business, and is adapting systems to meet the new regulations (2016).

CEO and Board of Directors

Chief Executive Officer - Michael Adams

30 years of commercial, management, operational and reservoir engineering experience in New Zealand, Australia, the Middle East and the North Sea. An expert in reservoir appraisal, development and production optimisation with substantial experience in New Zealand, Australia, and Europe. Has managed multi-disciplinary teams in projects of worth more than \$500 million. Mr Adams qualified with M.Sc. (Physics) and B.Sc (Physics, Geology).

Chairman - James Willis

Has an extensive background in the oil and gas E & P industry with a particular focus on commercial and contractual issues affecting industry participants. After 25 years as a partner at New Zealand law firm Bell Gully specializing in oil and gas matters, became managing director of an Australian oil and gas exploration group with a large portfolio of offshore permits. Since returning to New Zealand in 2011 Mr Willis has held governance positions with and consulted to various participants in the oil and gas exploration sector.

Director - Mark Dunphy

Chairman and CEO of privately-held operating company, Greymouth Petroleum which he formed in 2000. Greymouth is the second largest of the New Zealand owned and operated upstream oil & gas companies. Prior to that Mr Dunphy was Chairman of ASX listed Cultus Petroleum NL (1988 to 1999) and Chairman of privately-held Australian company Interstate Energy Limited (1996 to 2002).

Director - David Llewellyn

Dr Llewellyn has held senior management positions with Shell International (Netherlands; Singapore; New Zealand; Thailand) and Mobil International spanning a 35 year career. Dr Llewellyn holds an MA (Hons) in Geology and a doctorate in Geophysics. In the latter part of his career Mr Llewellyn has been extensively involved in regional and global M&A activities.

Current Status – How are we performing?

Financials – from Quarterly MD&A (all in C\$)

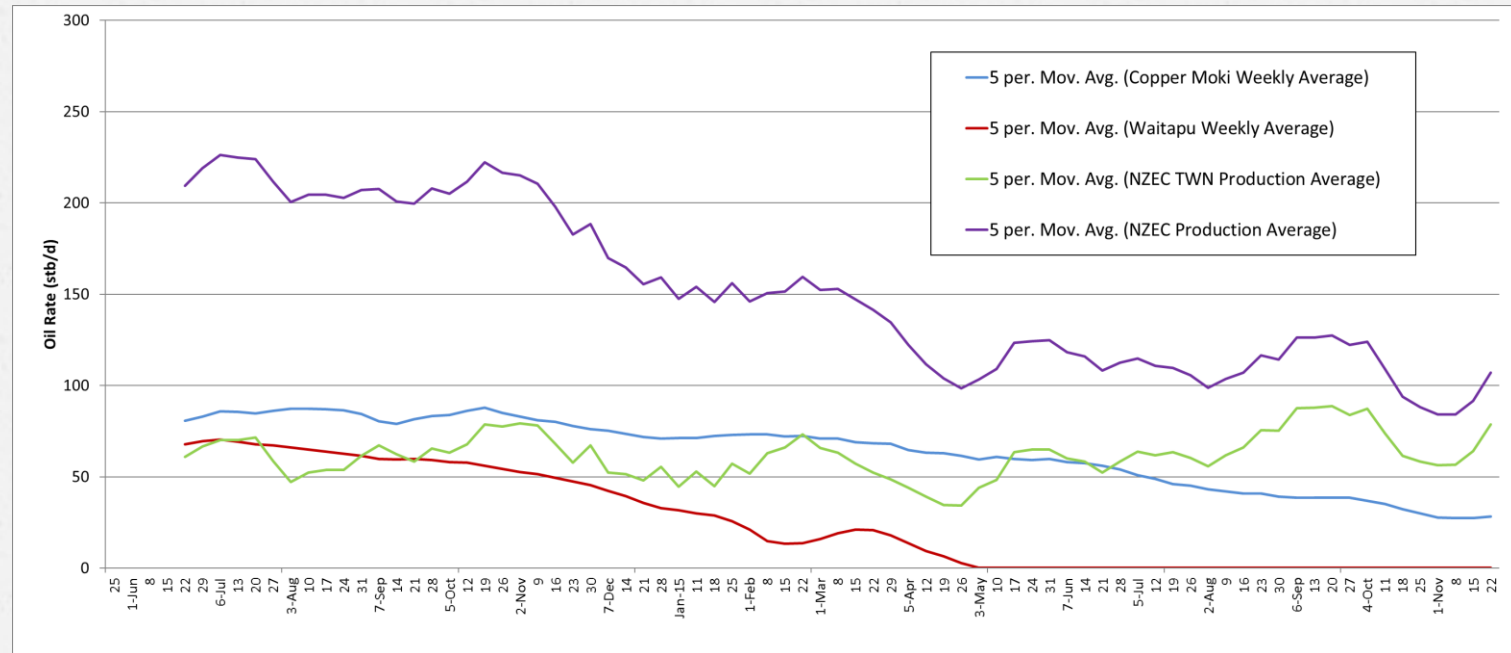
9 months ended 30 September	2015	2014
Prod. Rate NZEC Share (bbl/day)	122	210
Field Net Back (\$/bbl)	34.9	66.1
Oil Price (\$/bbl)	63.9	115.5
Production Costs (\$ million)	0.8	2.1
Processing Costs (\$ million)	0.7	0.7
G & A Expenses (\$ million)	3.4	5.0
Capital Projects (\$ million)	0.2	3.1

Key messages:

- Cost structure dramatically reduced. NZEC now has a fit-for-purpose operating structure.
- Key improvements will come from increasing production from existing wells and restoring wells to production.

Current Status – How are we performing?

Oil Production

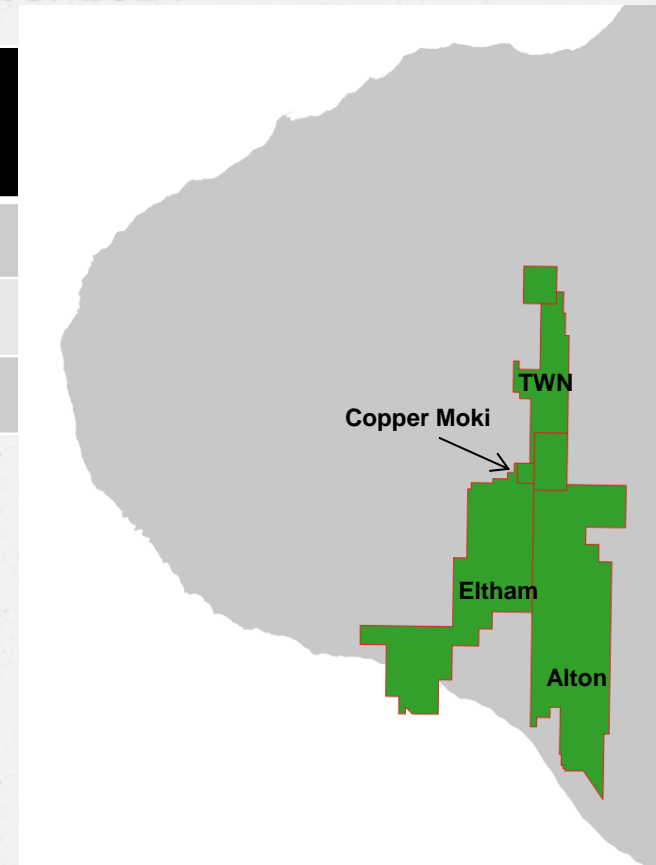


1. Reduction at Copper-Moki-Waitapu due to CM2 pump performance falling off in April/May and Waitapu-2 Pump failing in March. CM Water-flood and CM2 pump repair to address this.
2. WN production increases due to switching to continuous gas-lift and minor remedial works (wax-cuts & de-bottlenecking). Dip in November due to N1 gas-lift failure (now replaced)

NZEC Assets – Reserves

2P Reserves – NZEC Share as at 31 December 2014

Entity	2P Net Oil (Mbbbls)	2P Net Sales Gas (MMscf)	2P Net BOE (BOE)
Copper Moki	345	770.8	473.5
Waihapa	634	1177.3	830.4
Total	979	1948	1304



Notes:

1. Reserves and resources estimated by Deloitte LLP report effective date 31 Dec 2014.

Current Status and Opportunities #1

Current Status	Opportunities
<ul style="list-style-type: none"> Low production cost ~\$25 per barrel through right sizing business for today 	<ul style="list-style-type: none"> Marginally negative cash-flow can be turned into positive cash flow by increasing production (projects underway)
<ul style="list-style-type: none"> Production opportunities in existing acreage positions 	<ul style="list-style-type: none"> Waihapa Voidage project, with potential to unlock additional reserves Waterflood in Copper Moki pool underway Restoration of CM3 to production Tariki gas field and other Tariki area wells
<ul style="list-style-type: none"> World class reservoir optimisation and development expertise Low cost subsurface team 	<ul style="list-style-type: none"> Evaluation and value gap analyses of fields New Zealand based subsurface expertise available to contract as required
<ul style="list-style-type: none"> Extensive acreage position, i.e. exploration blocks (Alton & Eltham) and in TWN and Copper-Moki. 	<ul style="list-style-type: none"> Retain blocks through appropriate work programs so that exploration drilling can restart when economically viable.
<ul style="list-style-type: none"> No borrowing 	<ul style="list-style-type: none"> Future flexibility for debt facilities

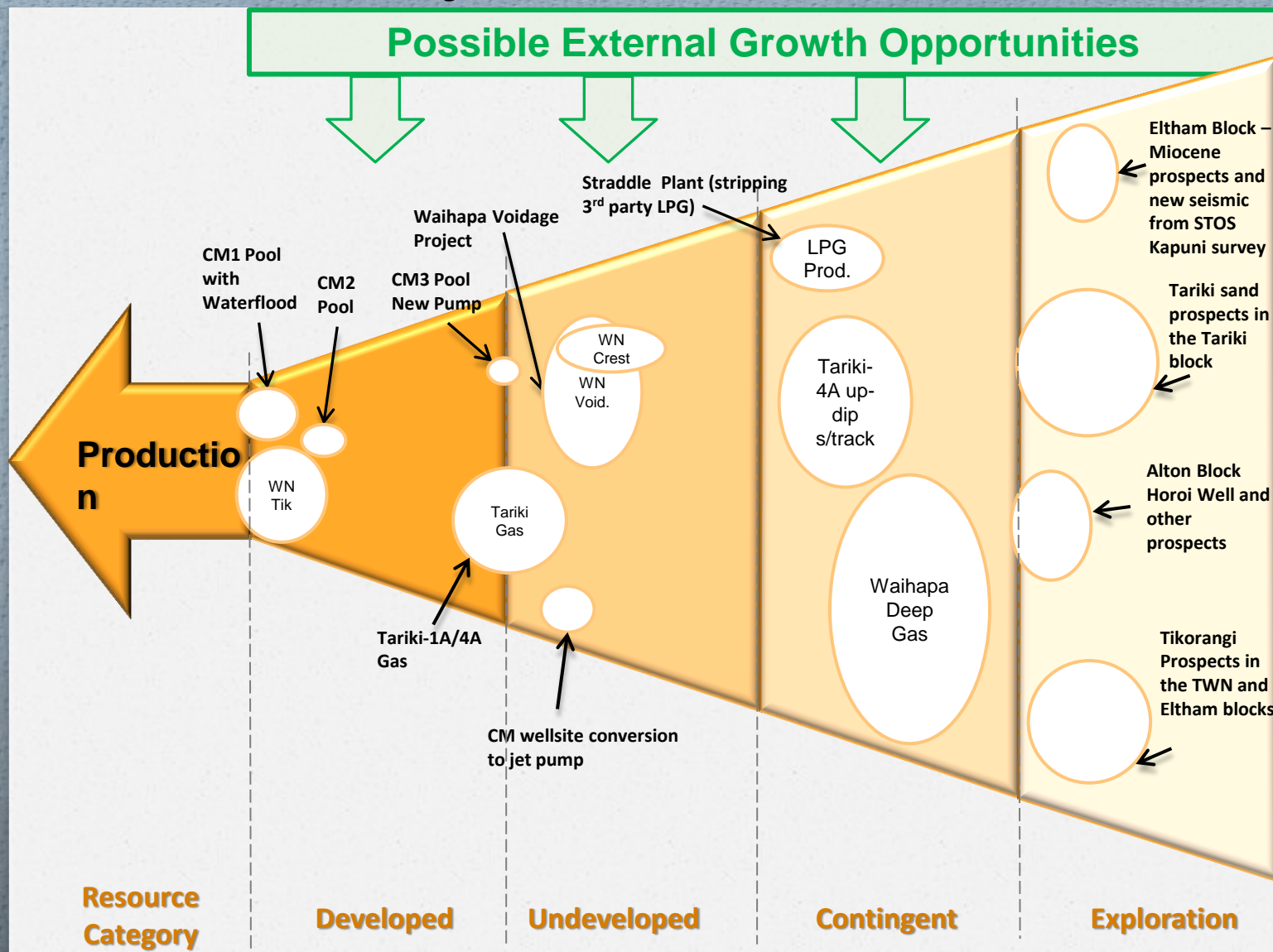
Current Status and Opportunities #2

Current Status	Opportunities
<ul style="list-style-type: none"> • Spare capacity in existing processing facilities • NZEC WPS is the only facility that offers 3rd party processing in NZ • Significant pipeline infrastructure 	<ul style="list-style-type: none"> • Negotiations underway with 3rd party to supply process water. • Nov 2015, Gas throughput agreement signed to process gas for Contact Energy • Agreed new terms LPG storage for 3rd party.
<ul style="list-style-type: none"> • Efficient operations & in-field project management • Strong focus on operating the plant safely 	<ul style="list-style-type: none"> • Utilising expertise of experienced production technicians to train a number of young production technicians.
<ul style="list-style-type: none"> • Strong relationship with Contact Energy, delivers significant cash to the business 	<ul style="list-style-type: none"> • Build a long term relationship with Contact Energy for AGS operatorship and provision of other services
<ul style="list-style-type: none"> • Strong relationships with key partners LME, & Greymouth 	<ul style="list-style-type: none"> • Credibility in the market place, resource sharing and peer review

Capabilities-Driven Strategy

Capability area	Description
<ul style="list-style-type: none"> People 	<ul style="list-style-type: none"> Dedicated, hands-on focussed team Wealth of technical, operational and commercial experience Staff retention
<ul style="list-style-type: none"> E&P Value Chain 	<ul style="list-style-type: none"> Low cost operation Enhanced oil recovery Flexible midstream 3rd party services
<ul style="list-style-type: none"> Core Region 	<ul style="list-style-type: none"> Focus on operating in the Taranaki (only producing region in New Zealand) Extensive knowledge of all working play types
<ul style="list-style-type: none"> Partnerships 	<ul style="list-style-type: none"> LME, Contact Energy and Greymouth Key Contractors Community stakeholders and regulators
<ul style="list-style-type: none"> Innovation 	<ul style="list-style-type: none"> Staged implementation of low cost water flood Jet pumping Waihapa 1 (pump operated from nearby Waihapa-2 site) Waihapa voidage project (pressure depletion)
<ul style="list-style-type: none"> Operational 	<ul style="list-style-type: none"> Integration of new technologies into an existing asset Fit for purpose and flexible maintenance and operating strategy
<ul style="list-style-type: none"> Commercial 	<ul style="list-style-type: none"> Diversified income stream Gas sales contract pricing

Portfolio & Project Maturation Funnel



Notes:

1. Bubble sizes are qualitative only & should not be considered accurate.

Activities - TWN Fields

Gas-Lift:

- Continuous gas-lift at Waihapa 6 and Ngaere 1 from April 2015, supported by works.
- Result has been WN production rates climbing instead of declining.

Waihapa 1:

- Static gradient shows oil in tubing
- Injectivity testing in October confirms reservoir communication is good
- Moving ahead to put artificial lift (Jet pump) on this well for the first time since 1995. Planned for 1st quarter 2016 and will be a low cost activity (~\$40k NZEC share), utilising an existing jet pump at Waihapa 2

Tariki Gas well:

- Late November flow tests has shown Tariki-4A can supply gas at pressures of ~90 bar at rates of 0.5 to 1 TJ per day.
- Further testing is required and is underway using production infrastructure.

Activities - Copper Moki Permit

Copper Moki Waterflood:

- Substantial revision to initial project scope has resulted in implementation of the project in two stages. Stage 1 water-flood commenced mid November 2015.
- Stage 2 (increase in water injection) expected to commence 2nd quarter 2016 Incremental oil volumes estimated at ~ 90,000 stb oil (P50) over 5 years.

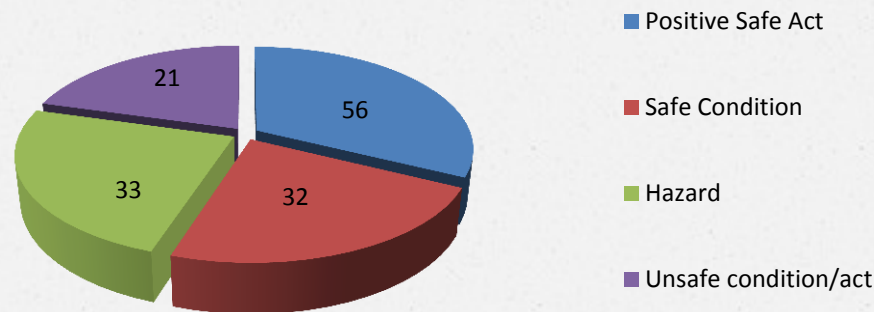
Copper Moki 2:

- CM2 well performance fell off in April 2015.
- Pump removed in October 2015
- New pump will be run in mid December 2015.
- Oil rates expected to increase by >25 bopd from the new pump.

HSE - Our People

- **Over 110,000 work hours without a serious harm incident**
 - Last serious harm was in March 2014. This was an LTI when a contractor fell through loose grating into a well cellar
 - 1 Medical Treatment Case since then in June 2015. This was stitches in finger on cut shattered glass from gas detector.
- External Health, Safety and Environmental Audit conducted in Q2 2015. Findings reinforce NZEC is managing Risks to a high standard.
- Hazard observations - Positive and safe work practices have increased due to improving worker participation system

Hazard Observation Reports Jan – Nov 2015



Summary

1. NZEC is surviving the challenging low oil price environment through:
 - Substantial restructuring & cost shedding
 - Development projects screened by evidence, experience & science
 - Expanding the operations services business
2. NZEC has the management, staff, board, strategies and processes in place for the business to grow in the current low oil price environment
3. NZEC has a portfolio of robust operational projects to assist growth next year and quality exploration permits with identified prospects
4. Internal growth may be supplemented by external opportunities, including acquisitions and may require shareholder support for these
5. NZEC has the Operational, Technical and Commercial capabilities to succeed
6. HSE is an integral part of our business.

