



## ***NEWS RELEASE***

**FOR IMMEDIATE RELEASE**

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### **NEW CENTURY ENERGY CORP. ANNOUNCES RECORD 2006 OPERATIONAL AND FINANCIAL RESULTS**

HOUSTON, TX- April 17, 2007 - New Century Energy Corp. (OTCBB: NCEY) announces financial and operational results for the year ending December 31, 2006, including the following:

- Oil and gas revenue grew to \$ 14.9 million for the twelve months ending December 31, 2006, compared to \$ 7.0 million in the prior year, an increase of 115% compared to 2005;
- Total production for the year 2006 grew by 147% to 302,400 barrels of oil equivalent (BOE) compared to 2005 results of 122,400 BOE;
- Total reserve growth of over 40%, with year end 2006 total proved reserves of 2.0 million barrels of oil equivalent (BOE);
- Gross acreage under lease grew in 2006 by 275% to 17,200 acres, compared to 6,275 acres in 2005;
- Adjusted EBITDA for the entire year 2006 was \$10.3 million, compared to a loss of \$ (4.5 )million reported in the previous year. EBITDA removes several non-cash accounting items and adjustments from the calculation of net income (loss). For additional information regarding EBITDA as a non-GAAP financial measure, please refer to the disclosures contained at the end of this release; and
- Operating income totaled \$ 556,683 for the year ended December 31, 2006, compared to \$ 1,374,577 in 2005.

Edward DeStefano, the Company's CEO, stated " We are very pleased with our record 2006 financial and production results and we have laid the ground work for continued growth in 2007. During 2006 we acquired proved developed producing reserves in McMullen County. We are

exploring for new prospects on our undeveloped acreage in our core operating areas, and have added to our inventory of drilling locations. Our multi-well drilling program in McMullen County commenced in December and is proceeding with seven additional wells scheduled for the second quarter of 2007. Our initial drilling program resulted in four new oil completions. We anticipate adding to our reserve and cash flow base as we continue drilling in the second and third quarters of 2007.”

### **About New Century Energy Corp.**

New Century Energy Corp. is an independent energy company engaged in oil and gas exploration, development and production. New Century Energy currently owns oil and gas leases on over 17,000 acres throughout the State of Texas; including oil producing acreage in McMullen, Wharton, and Jim Hogg Counties, Texas. Natural gas producing fields include the operated South Sargent Field in Matagorda County, and non-operated interests in the Wishbone Field in McMullen County, Texas. New Century Energy’s mission is to increase shareholder value by: acquiring proven oil and gas reserves, profitable drilling and development activities on company owned acreage, and by participating in joint ventures that can expand its development program and prospect base. Additional information is available at: [//www.newcenturyenergy.com](http://www.newcenturyenergy.com).

**FORWARD-LOOKING STATEMENTS:** This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). In particular, when used in the preceding discussion, the words "believes," "expects," "intends," "will," "anticipated," or "may," and similar conditional expressions are intended to identify forward-looking statements within the meaning of the Act, and are subject to the safe harbor created by the Act. The Securities and Exchange Commission has generally permitted oil and gas companies in their filings with the SEC to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use the terms probable and possible reserves, reserve potential or upside or other descriptions of volumes of reserves potentially recoverable through additional drilling or recovery techniques that the SEC's guidelines may prohibit us from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by the Company. Except for historical information, all of the statements, expectations and assumptions contained in the foregoing are forward-looking statements that involve a number of risks and uncertainties. The reserve data included herein represents only estimates. Reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact manner. As a result, estimates of different engineers often vary. The estimates of reserves, future cash flows and present value are based on various assumptions, including those prescribed by the SEC relating to oil and natural gas prices, and are inherently imprecise. Our reserves and future cash flows may be subject to revisions based on many factors. It is possible that the assumptions made by management are not necessarily the most likely, and may not materialize, including but not limited to the possible undeveloped gas reserve. In addition, other important factors that could cause actual results to differ materially include the following: business conditions and the amount of

growth in the Company's industry and general economy; competitive factors; ability to attract and retain personnel; the price of the Company's stock; and the risk factors set forth from time to time in the Company's SEC reports, including but not limited to its annual report on Form 10-KSB; its quarterly reports on Forms 10-QSB; and any reports on Form 8-K. New Century Energy Corp. takes no obligation to update or correct forward-looking statements, and also takes no obligation to update or correct information prepared by third parties that are not paid for by the Company.

We define EBITDA, as adjusted, as net income adjusted to exclude (1) interest and other financing costs, net of capitalized interest, (2) income taxes, (3) depreciation, depletion and amortization, and (4) changes in the fair value of derivative liabilities. The Company believes EBITDA is a useful measure of evaluation of its financial performance. However, because EBITDA is not a measure of financial performance calculated in accordance with GAAP, it should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. EBITDA is however, a common alternative measure of operating performance used by investors, financial analysts and rating agencies. A reconciliation of EBITDA to net earnings is included below. EBITDA as presented may not be comparable to other similarly titled measures reported by other companies.

	Year Ended	
	<u>2006</u>	<u>2005</u>

Calculation of Adjusted EBITDA:

Net income (loss)	\$(6,097,508)	\$(3,398,824)
Interest expense	7,958,392	3,872,265
Depreciation expense	9,737,889	2,177,485
Decrease in fair value of derivative liabilities	<u>(1,296,373)</u>	<u>(7,117,882)</u>
Adjusted EBITDA	<u>\$ 10,302,340</u>	<u>\$(4,446,956)</u>