



NEW STANDARD
ENERGY

The New
Energy
Frontier

Investor presentation

Phil Thick, Managing Director

July 2014

Company overview



Corporate overview

New Standard Energy ASX:NSE	
Ordinary shares	385.9m
Options and performance shares	23.3m
Market capitalisation (at \$0.15c per share)	~ \$58m
Cash position 31 March, 2014	~ \$9.1m
Investment in Elixir Petroleum (121.7m shares at 0.6c per share)	~ \$0.73m
Debt Facility	US\$45m drawn to US\$9m

Applicable as at 8 July 2014

Major shareholders

Magnum Hunter Resources Corp	17.0%
Acorn Capital	4.1%
Buru Energy Limited	3.4%

NSE share performance over past six months

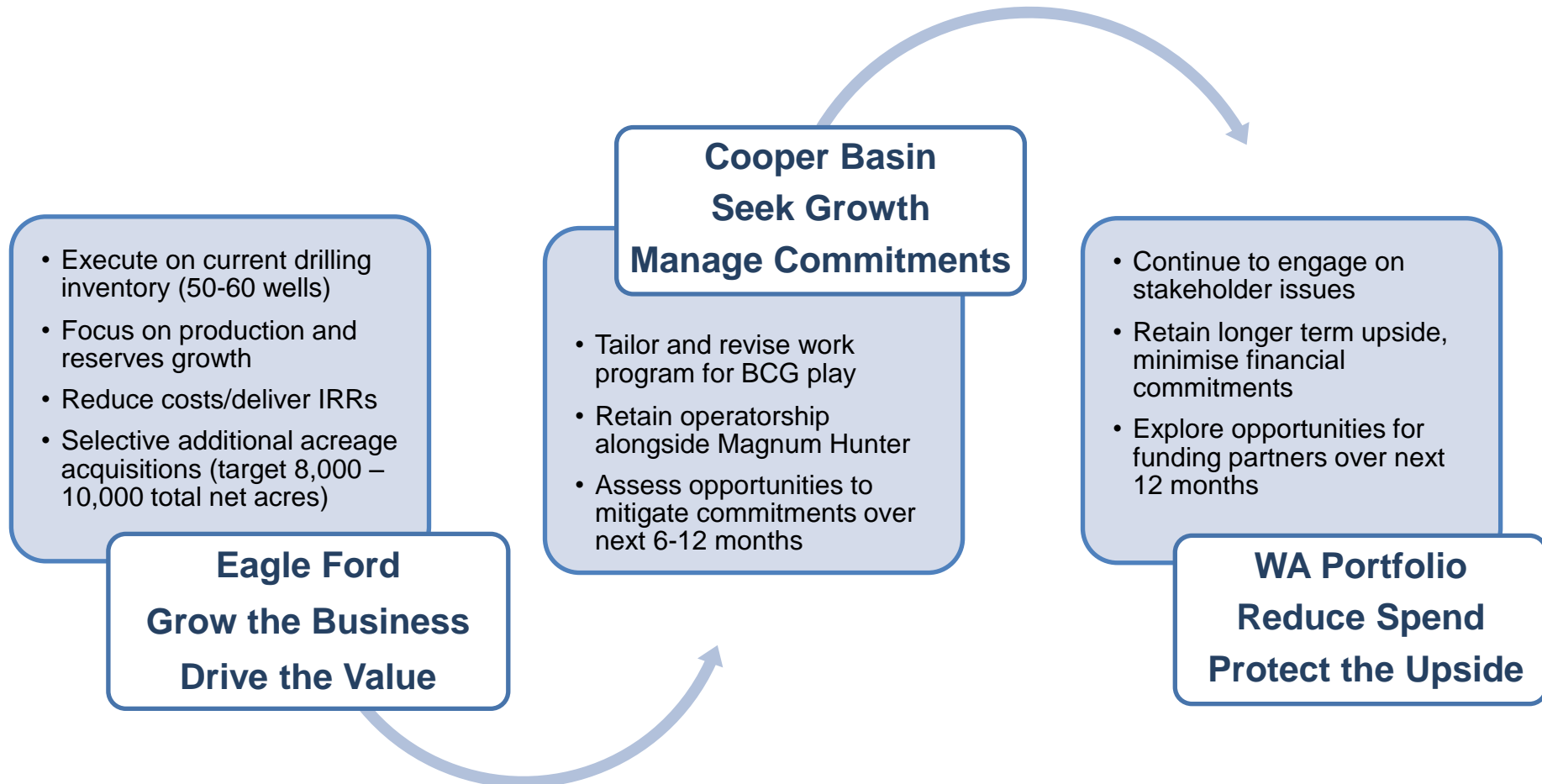


Applicable as at 8 July 2014

Business Strategy and Focus



The recent acquisitions have restructured the business, created a unique portfolio and delivered a strong alliance with Magnum Hunter Resources Corporation, resulting in a new focus.





Diversified Portfolio

Recent transaction with Magnum Hunter Resources Corporation (**NYSE: MHR**) has diversified the asset portfolio and altered the risk associated with NSE's business and investment profile

Immediate
cashflow and
development

US Assets - Eagle Ford, Texas

5,182 net acres
Volatile oil/oil windows
7 producing wells
50-60 additional well locations

Short to mid term
exploration,
appraisal and
development

South Australian Assets – Cooper Basin

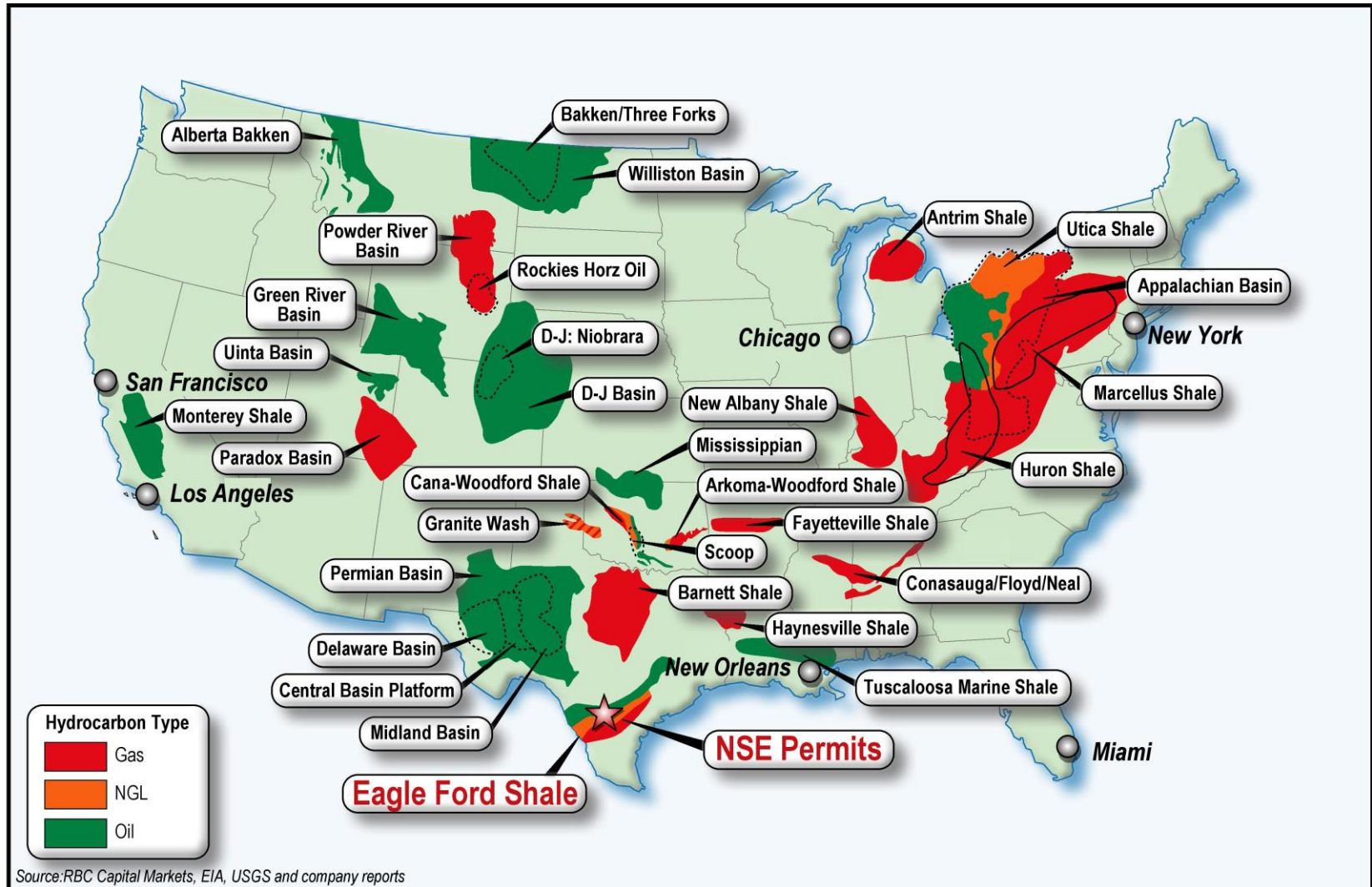
Acquired 52.5% in PEL 570
Focus on basin centred gas (**BCG**) and wet gas plays
Exposure to east coast gas market and LNG export opportunities

Long term
exploration
upside

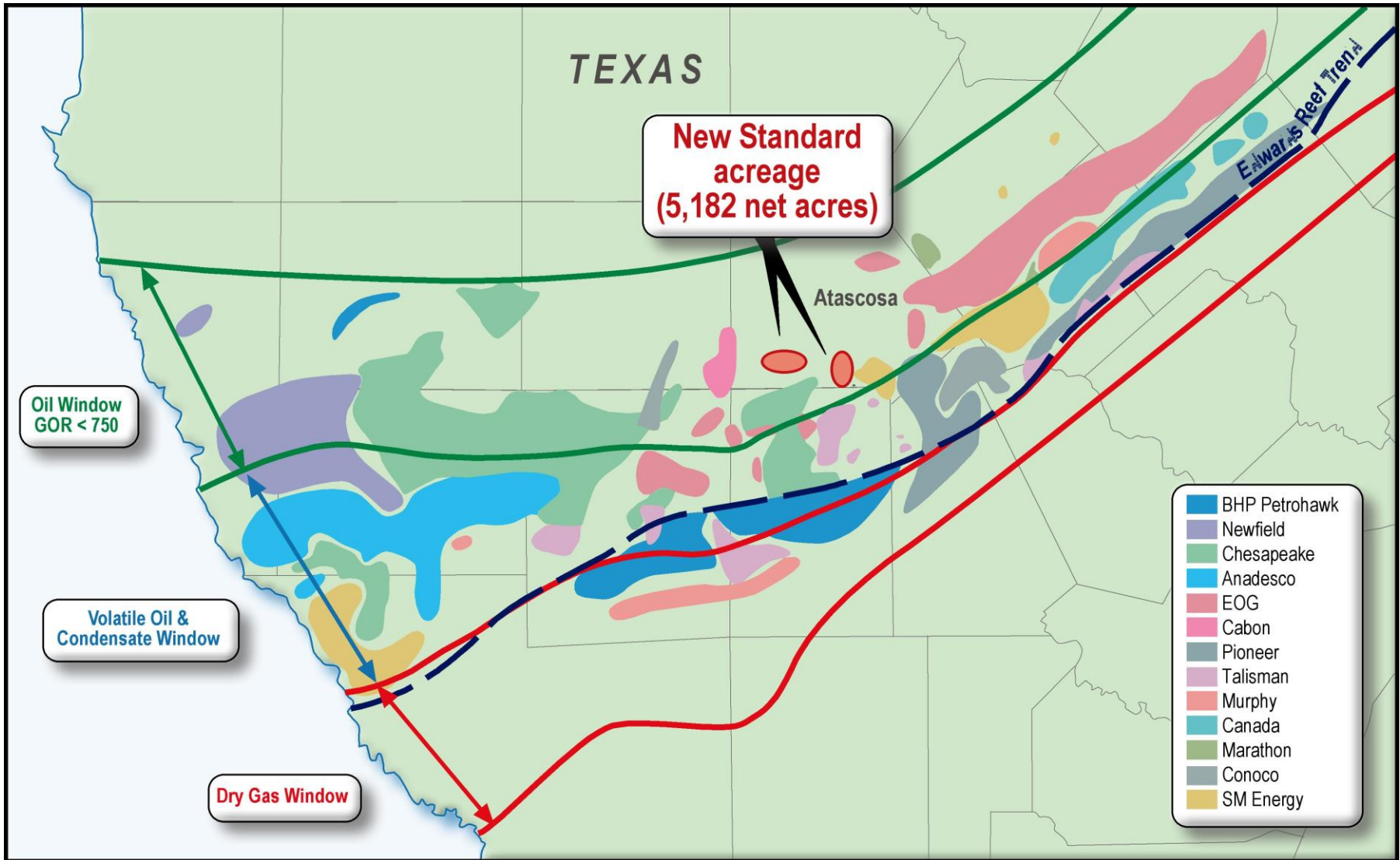
Western Australian Assets

25% operated interest in Southern Canning Joint Venture
100% operated interest in Laurel Project
100% operated interest in Merlinleigh Project

US basins overview



Eagle Ford, Texas – Atascosa County





US assets – Eagle Ford, Texas

A unique operating model - building the foundations of a positive business alliance

- ✓ NSE retains Operator status and control of the program – contracting Magnum Hunter (MHR) under a Services Agreement
- ✓ Eagle Ford wells managed and drilled by the same Magnum Hunter team that drilled its own Eagle Ford wells
- ✓ NSE able to take advantage of existing relationships, contracts and lower costs associated with MHR's existing US position and large scale operations
- ✓ Eliminating the risks associated with entering a new jurisdiction
- ✓ NSE transitioning key technical staff from MHR to NSE to take over operations directly
- ✓ MHR able to introduce new opportunities and acreage that will complement NSE's current portfolio
- ✓ MHR alignment as major shareholder (17%) and via NSE Board positions

US assets – building a strong business



Secure debt funding for current and future drilling operations

- Debt facility negotiated with Credit Suisse for up to US\$45 million, first draw of US\$9 million already made
- Facility based on reserves related to five existing wells with future draws to be subject to increasing reserves as more wells drilled
- Opportunity to renegotiate over time as reserves grow and risk reduces

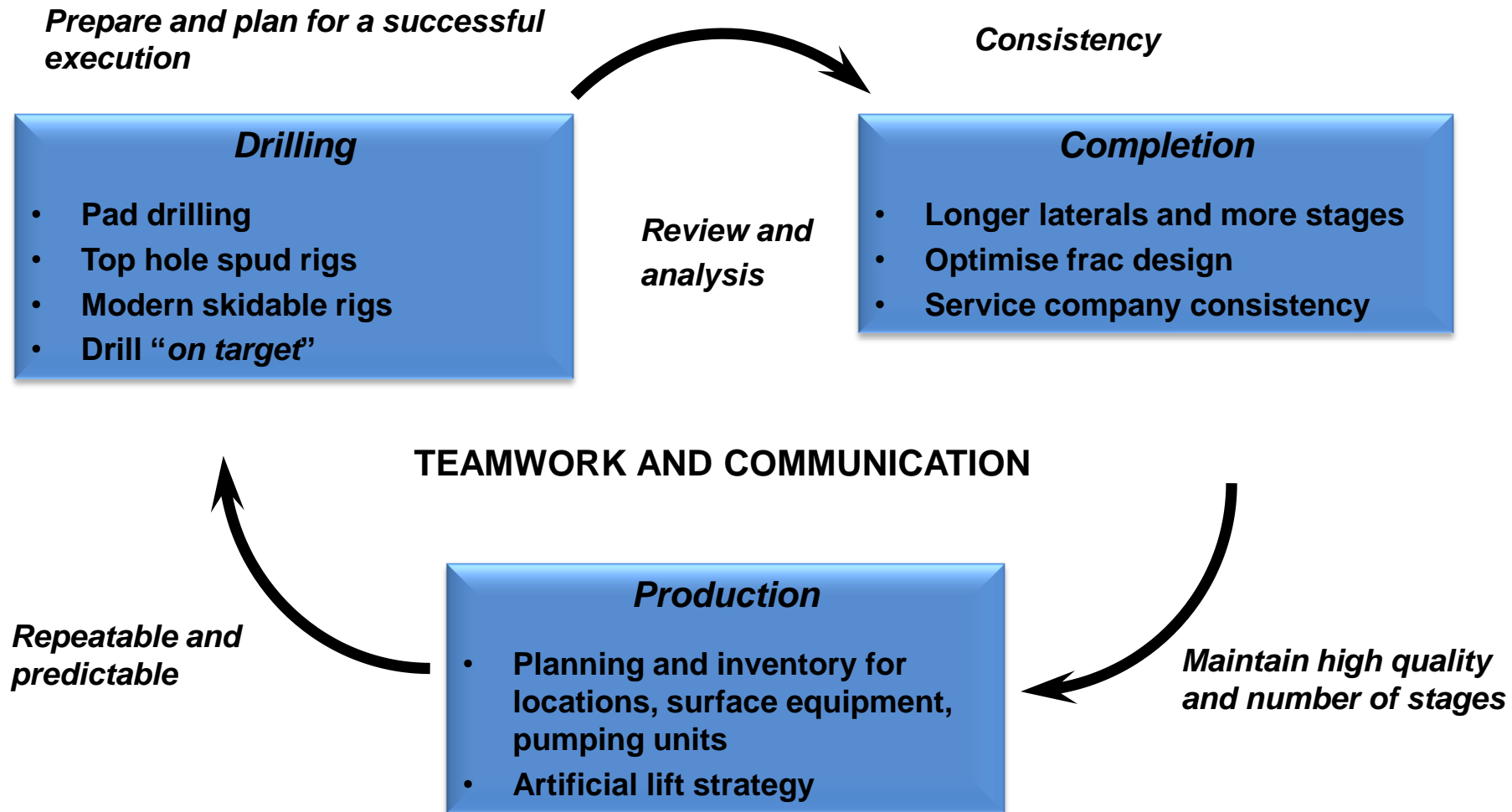
Drill, complete and produce 8-10 wells over next 18 months

- Peeler Ranch-5H and 6H completed within four months and brought into production
- Wells produced 24hr IP's of 705 and 758 Boepd and 30 day IP's of 415 and 374 Boepd respectively
- Over 27,000 Boepd produced from two new wells by end June
- Planning future wells with longer laterals, more frac stages and lower capital and ongoing costs to increase IRR's
- Targeting wells with IRR's greater than 35% to build a strong business, covering debt repayments and generating revenue for future growth

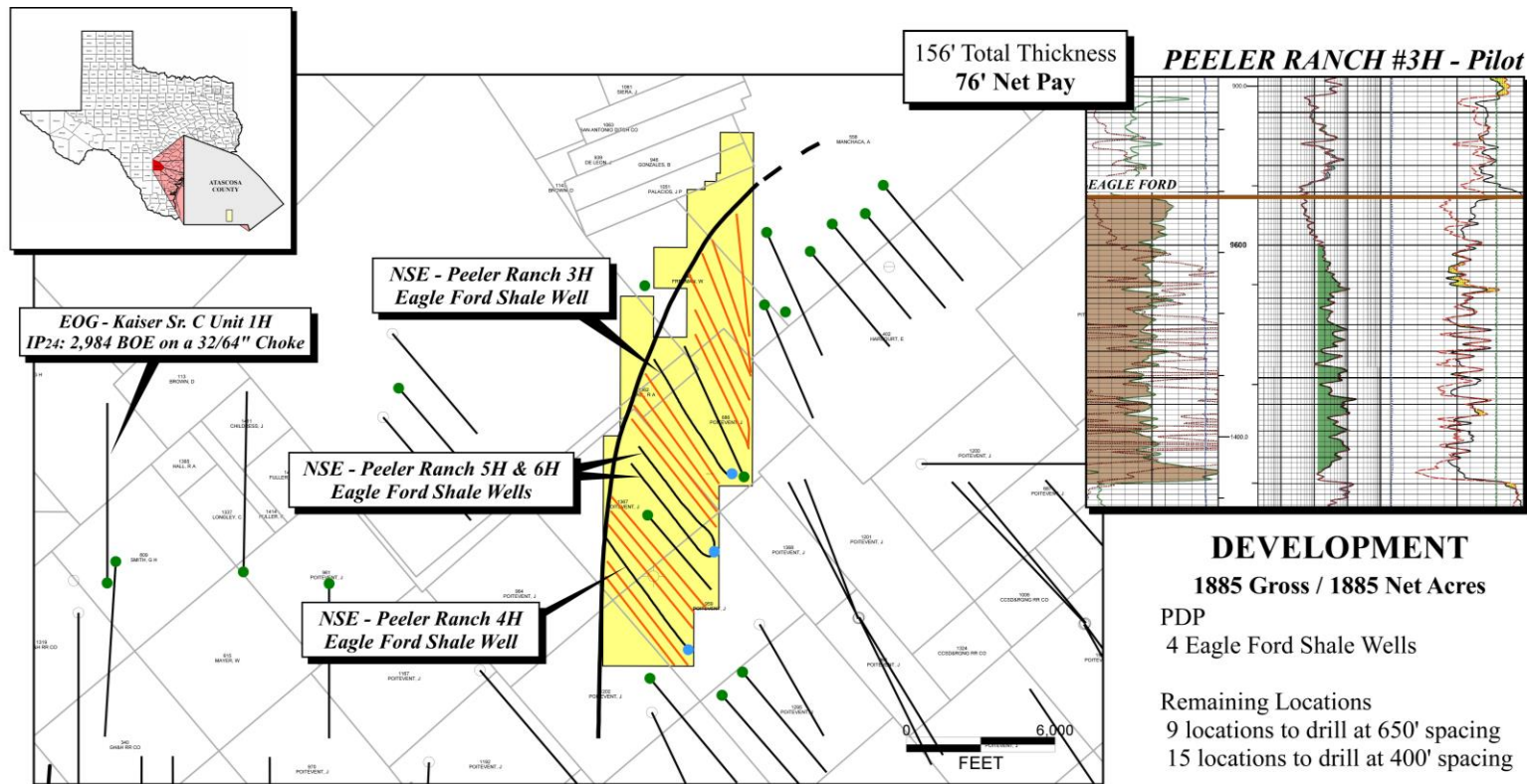


US assets – successful execution

MHR execution provides repeatable and predictable results



US assets – Peeler Ranch Prospect Area



WELL PARAMETERS

CWC

20 frac stage lateral - \$6.5MM
24 frac stage lateral - \$7.0MM

Lateral Length (In Zone)

4000' - 19 frac stages at 215' spacing
5200' - 24 frac stages at 215' spacing

Well Spacing

Minimum of 400' between laterals (~48 ac spacing)
Maximum of 650' between laterals (80 ac spacing)

RESERVOIR PARAMETERS

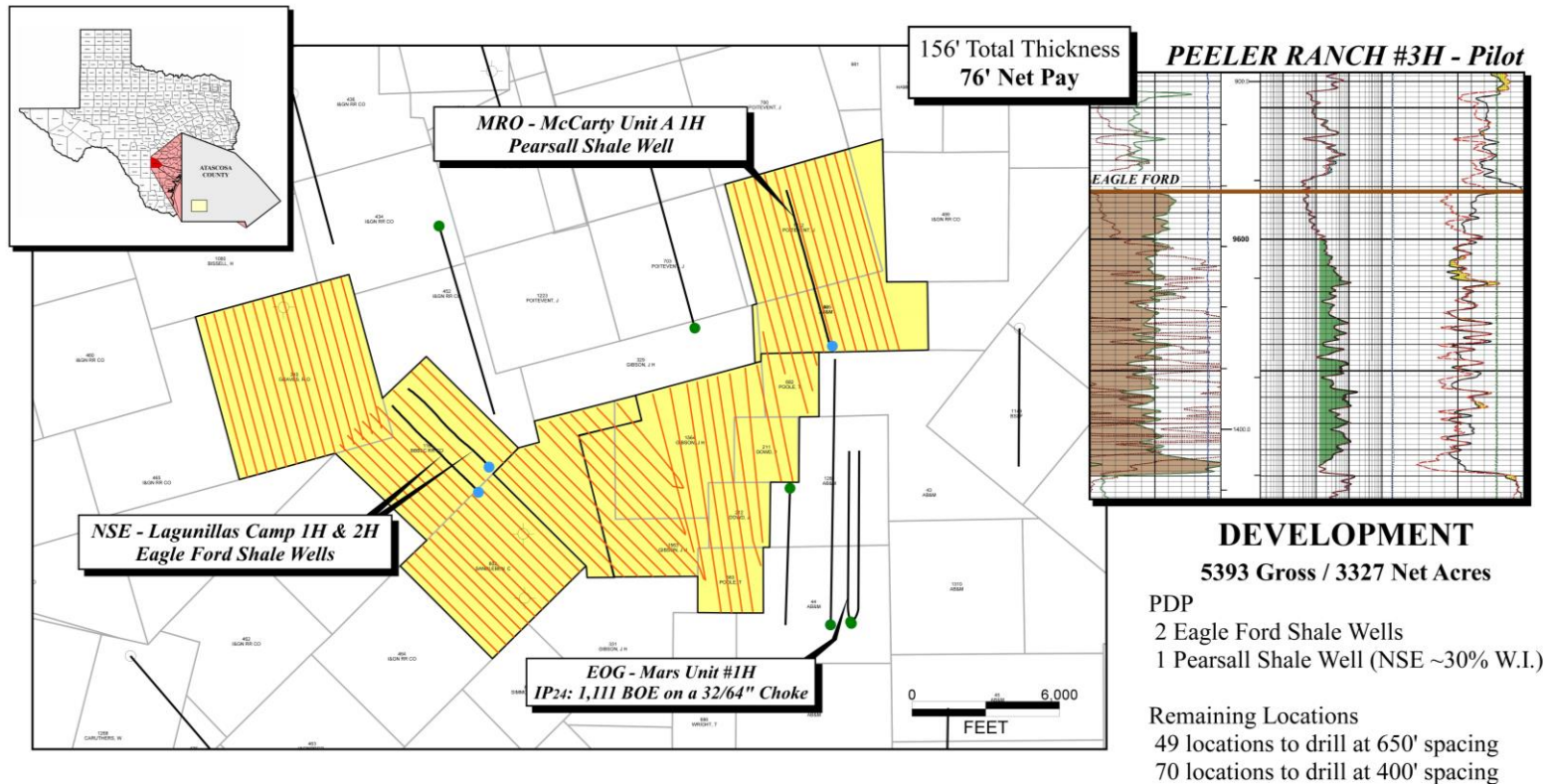
Total Thickness: 75' to 175'
Net Pay Thickness: 65' to 80'
Porosity: 10 to 15%
TOC: 5 to 7%
R0: 1 to 1.4

FRAC PARAMETERS (Per Stage)

Halliburton

Perfs / Clusters - 48 Shots / 4 Clusters
Rate - 50bpm
Fluid - X-Link Gel w/ 32% Pad. ~ 4000-5000 bbls
Sand - 210,000 lbs average (50% 30/50 Sd & 50% 20/40 Sd)

US assets – Allright Project Area



WELL PARAMETERS

CWC

20 frac stage lateral - \$6.5MM
40 frac stage lateral - \$9.0MM

Lateral Length (In Zone)

5000' - 19 to 20 frac stages at 215' spacing
8800' - 40 frac stages at 215' spacing

Well Spacing

Minimum of 400' between laterals (~48 acre spacing)
Maximum of 650' between laterals (80 acre spacing)

RESERVOIR PARAMETERS

Total Thickness: 75' to 175'
Net Pay Thickness: 65' to 80'
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US assets – Eagle Ford type curve

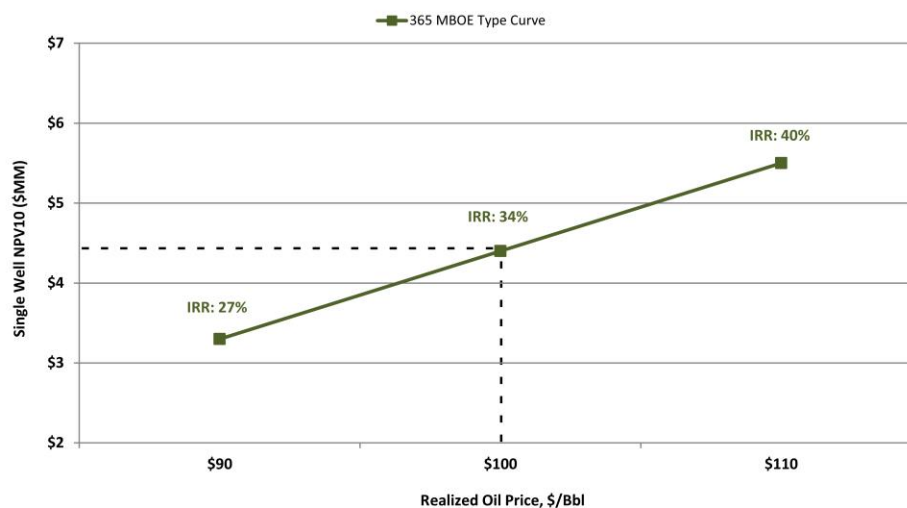
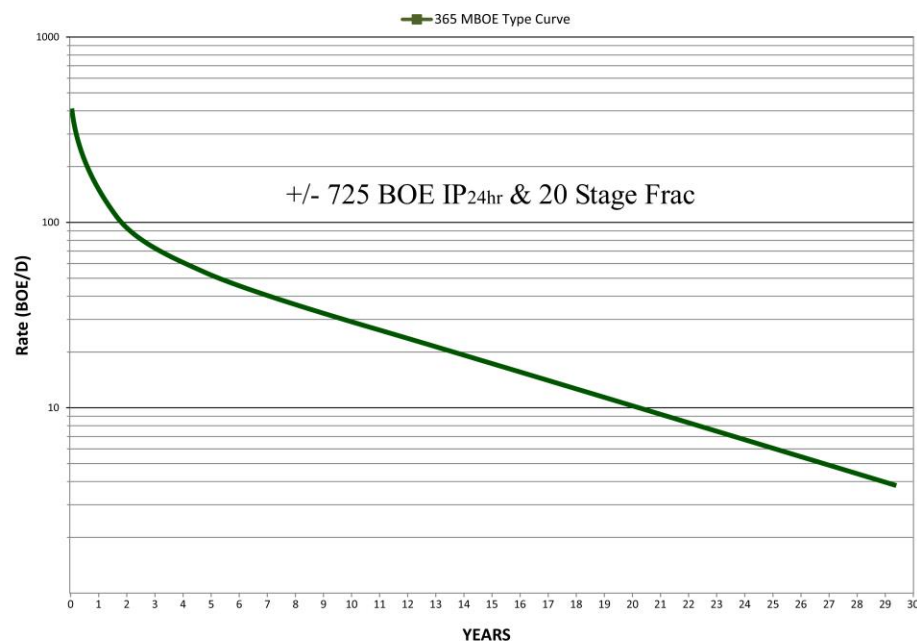
TYPE CURVE PARAMETERS	20 Stage Frac	25 Stage Frac
EUR (MBOE)	365	405
IP24hr (BOE)	725	905
IP30 (BOE)	423	500
B Factor	1.3	1.3
Terminal Decline (%/yr)	7 - 9%	7 - 9%
Type Curve Life (yrs)	30	30

ECONOMICS

CWC (\$MM)	\$6.5	\$6.9
Fixed LOE (\$/mo)	\$6000	\$6000
Variable - SWD (\$/BOE)	\$1.90	\$1.90
Oil (SEC Pricing) (\$/bbl)	\$100.27	\$100.27
NGL (\$/bbl)	\$31.69	\$31.69

RESULTS

NPV10 (\$MM)	\$4.4	\$5.1
IRR (%)	34%	36%
F & D (\$/BOE)	\$27	\$26.05
Economic Life (yrs)	30	30





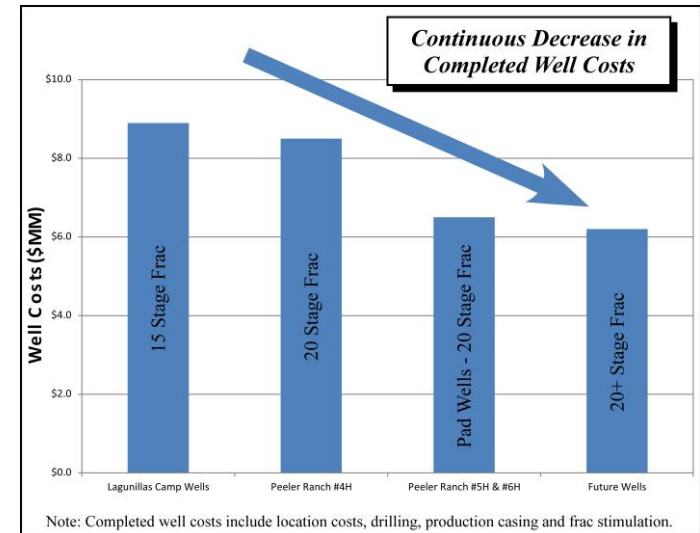
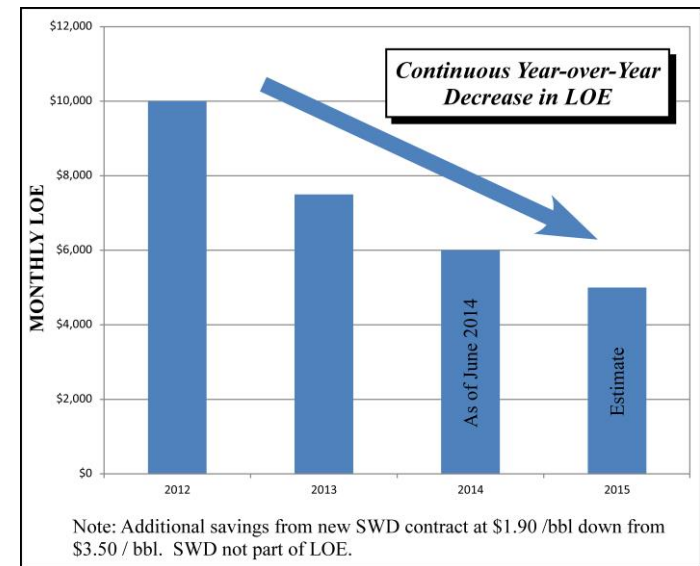
US assets – Efficiency trends

Continue CWC reductions and efficiencies

- 2013 – Peeler Ranch #4H cost \$8.5MM
- 2014 – Peeler Ranch #5H and #6H cost ~\$6.5MM
- 2015 – Reduce future CWC to <\$6.5MM
- Continue reducing LOE
- Gain efficiencies to reduce production costs

Continue optimizing frac design

- 1st Generation: Lagunillas Camp #1H and #2H wells
 - < 15 frac stages, 310' stage spacing, high pad volumes and older pump schedule
- 2nd Generation: Peeler Ranch #3H
 - 20 frac stages, 215' stage spacing, 38% pad volume
- 3rd Generation: Peeler Ranch #4H
 - 20 frac stages, 215' stage spacing, 38% pad volume, more aggressive pump schedule
- 4th Generation: Peeler Ranch #5H and #6H
 - 20 frac stages, 215' stage spacing, 38% pad volume, zipper frac, different surfactant and fluids
- 5th Generation: New wells
 - > 20 frac stages, enhanced frac fluids, more sand concentration per 1000' of treated lateral





US assets – key economic drivers

Key drivers – well costs and effectiveness of completions

- Peeler Ranch-4H total cost approx. US\$8.5 million
- Peeler Ranch-5H and 6H approx. cost US\$6.5 million each
 - (same lengths, same stages, 9 months later)
- Costs continue to come down and expected to reduce further
 - More pad drilling
 - Longer laterals and more frac stages
 - More effective treatment of laterals

Target ranges for Eagle Ford well economics

- Wells with 24hr IP's above 700 Boepd and with high oil percentage
- EUR's in excess of 350,000 BOE
- Total well costs below US\$6.5 million (drilled and completed)
- Total long term LOE below US\$5,000 per well/month
- IRR's in excess of 35% range for all wells



US assets - Eagle Ford reserves

- 3P reserves of 12.3 Million BOE as at 1 Dec 2013, prior to two recent wells
- Eagle Ford acquisition price represents \$2 per BOE based on 3P reserves
- Substantial upside remains in Atascosa acreage
- Reserves currently constrained due to relatively undeveloped acreage

* Net Reserves		Proved Developed Producing	Proved Undeveloped	Total 1 P Reserves	Probable	Total 2 P Reserves	Possible	Total 3 P Reserves
Oil	Mbbl**	282.8	798.4	1,081.1	798.4	1,879.5	7,850.0	9,729.4
Gas	MMcf***	345.6	1,077.8	1,423.4	1,077.8	2,501.2	5,042.8	7,544.0
NGL	Mbbl	52.5	163.8	216.4	163.8	380.2	1,022.4	1,402.6

CG&A certified SPE-PRMS compliant reserves (net) in the Atascosa Project acreage acquired by New Standard

* Net Reserves are based on the Company's net revenue interests

** 1 Mbbl = 1,000 barrels (1 Mbbl = 1,000 BOE)

*** 1 MMcf = 1 million cubic feet. (6 MMcf = 1,000 BOE)

Refer ASX announcement 10 January, 2014 for full details

The information in this presentation relating to petroleum reserves and resources is based on and fairly represents information and supporting documentation prepared by Matthew K. Regan who is a Partner and Reservoir Engineer (License #113228) at petroleum consulting firm, Cawley Gillespie & Associates. CG&A is highly experienced in evaluating the Eagle Ford Shale and has undertaken more than 40 valuations per year of all sizes in relation to this specific shale formation.

Mr Regan meets the requirements of a qualified petroleum reserve and resource evaluator under Chapter 5 of the ASX Listing Rules and consents to the inclusion of the information contained in this announcement in the form and context in which it appears.

US assets – Eagle Ford growth platform



Continue drilling program and look for expansion opportunities

- Fund future drilling program through combination of cashflow from production and additional debt drawdown based on updated reserves
- Grow reserves through additional drilling
- Focus on continued cost reduction, IRR improvement and EUR uplift
- Actively seek additional acreage to increase our current acreage position:

Adjacent to existing permits to increase potential wells and/or lateral lengths	Selective new acreage identified in attractive areas on right terms	Targeting a total of 8,000 – 10,000 net acres initially
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MHR and NSE have established an alliance and combined team that have the execution capabilities to deliver on growth

South Australian assets – Cooper Basin



Planning for the exploration and development of PEL570

Cooper Basin snapshot

- NSE position in PEL570 is in the heart of the Patchawarra Trough
- Value supported by corporate activity and intense interest in the immediate vicinity
 - Origin farm-in to Senex
 - Battle for Ambassador
- Operatorship remains key and valuable

PEL570 way forward

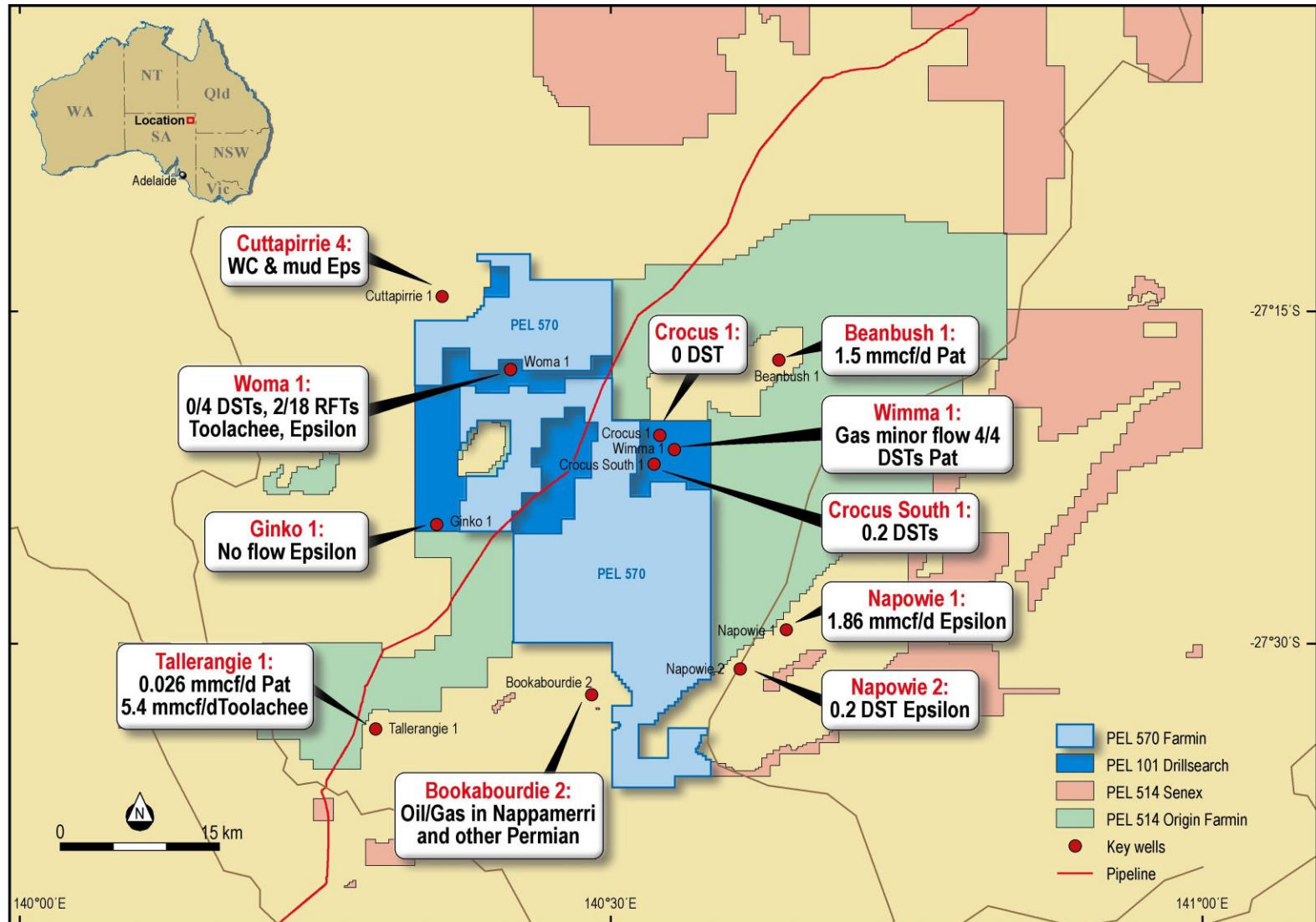
- Work with MHR and our PEL570 partner to develop a true unconventional work program for PEL570, targeting the Patchawarra tight sands and BCG play
- Work with this plan and the Regulator to agree a revised work program that is appropriate for unconventional development
- Seek opportunities to mitigate our balance sheet exposure on the capital commitments for PEL570 over the next 6-12 months
- Plan and prepare for drilling first well in 2H 2015

New Standard has secured a prime operated acreage position within the rapidly emerging Cooper Basin with proven prospectivity

South Australian assets – Cooper Basin



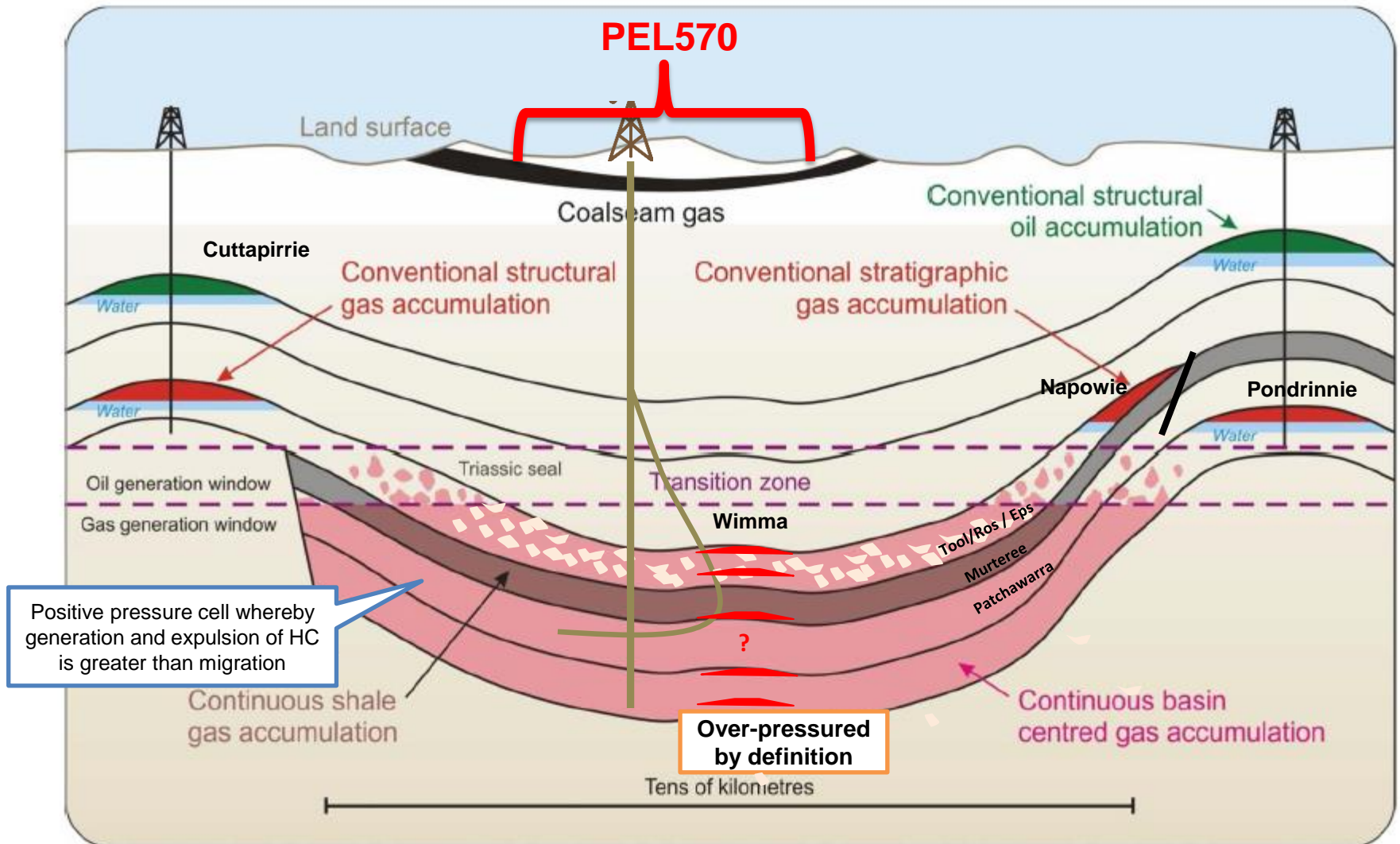
PEL570 - surrounding permits and wells



South Australian assets – Cooper Basin



PEL570 Basin Centred Gas





Western Australian assets

Manage capital and retain upside

The WA assets remain highly prospective and offer substantial potential upside to NSE and our partners, however:

- Early stage, high risk and subject to infrastructure and stakeholder issues
- Costs remain disproportionately high relative to other areas due to remoteness, lack of infrastructure, lack of service providers and the time it takes to get all the necessary stakeholder approvals to allow operations to commence
- If successful, connection to market is relatively long-term

New Standard's aim is to:

- Continue to engage with key stakeholders with support from ConocoPhillips and PetroChina and DMP to deliver an aligned and attractive outcome over the longer term
- Protect the upside, hold onto our acreage and keep our holding costs as low as possible
- Seek partners for our WA assets to share the risk and reduce our capital exposure

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For more information contact:

Phil Thick, Managing Director
+61 8 9481 7477
info@newstandard.com.au

newstandard.com.au



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