



NEW STANDARD
ENERGY



DUG Australia – Cross-border Joint Ventures

Phil Thick, NSE Managing Director

August 2014

Company overview



Corporate overview

New Standard Energy ASX:NSE	
Ordinary shares	386.2m
Options and performance shares	21.2m
Market capitalisation (at \$0.12c per share)	~ \$46m
Cash position 30 June, 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 25 Aug 2014

Major shareholders

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

NSE share performance over past twelve months



Applicable as at 21 Aug 2014



Diversified asset portfolio

Immediate
cashflow and
development

US Assets - Eagle Ford, Texas

5,641 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 PEL570

Focus on basin centred gas (**BCG**) and wet gas plays

Exposure to east coast gas market and LNG export opportunities

Long term
exploration
upside

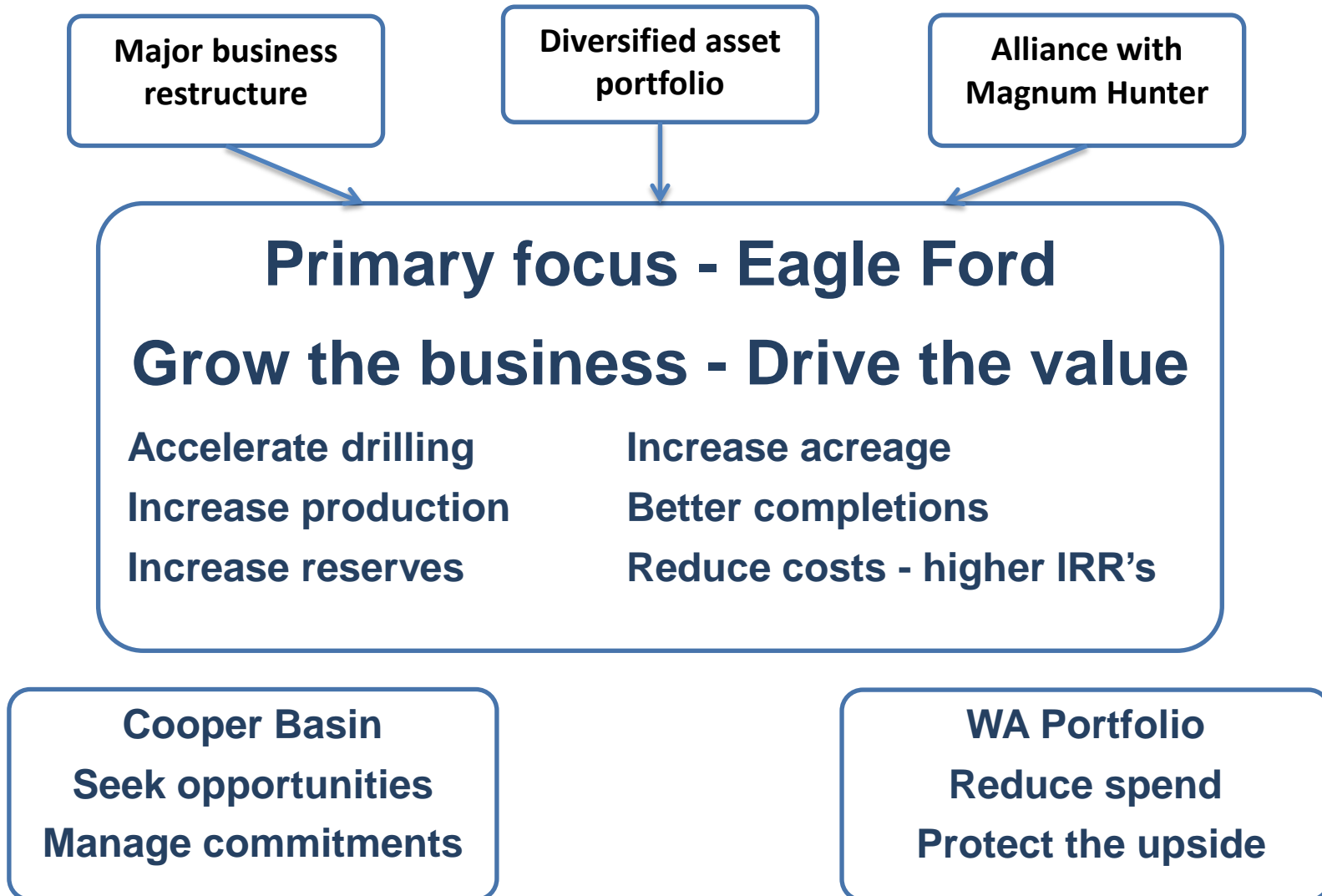
Western Australian Assets

25% operated interest in Southern Canning Joint Venture

100% operated interest in Laurel Project

100% operated interest in Merlinleigh Project

Growth strategy and focus

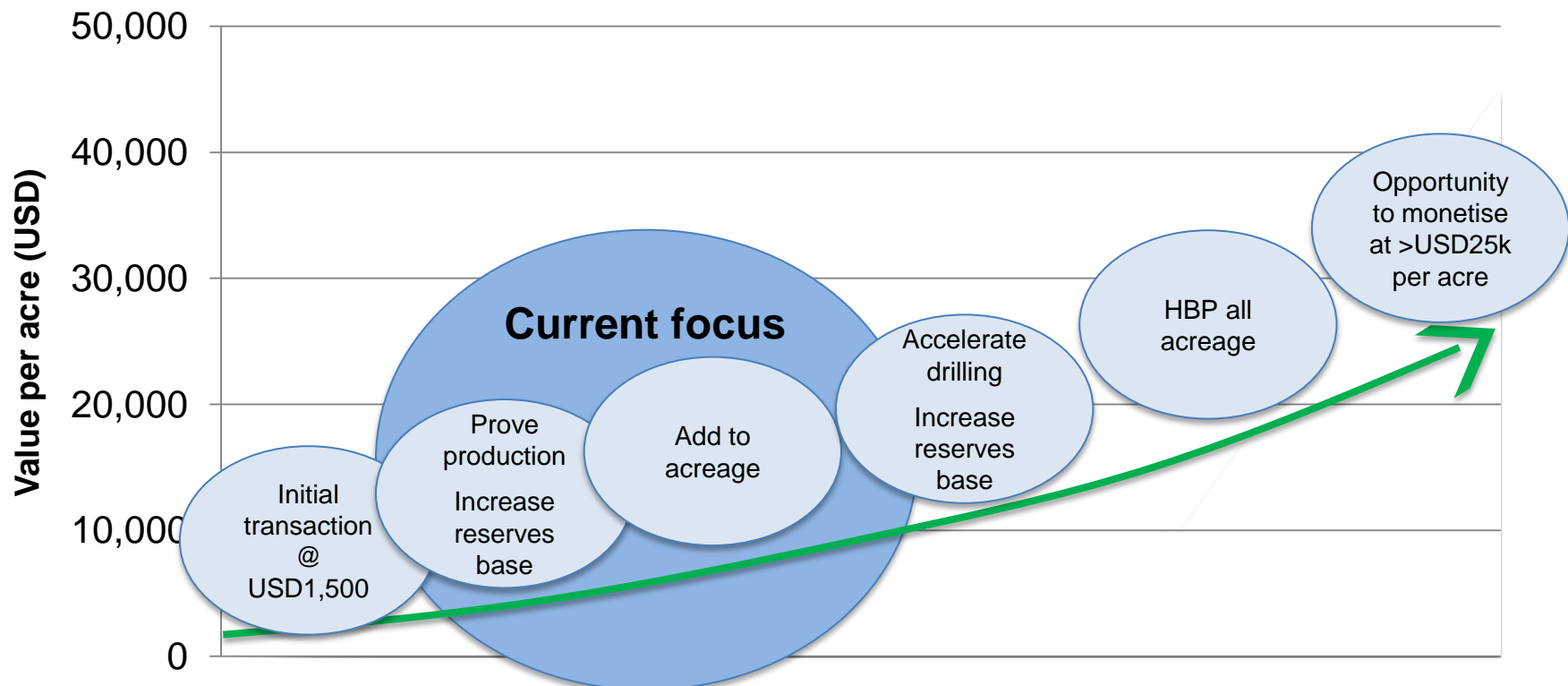




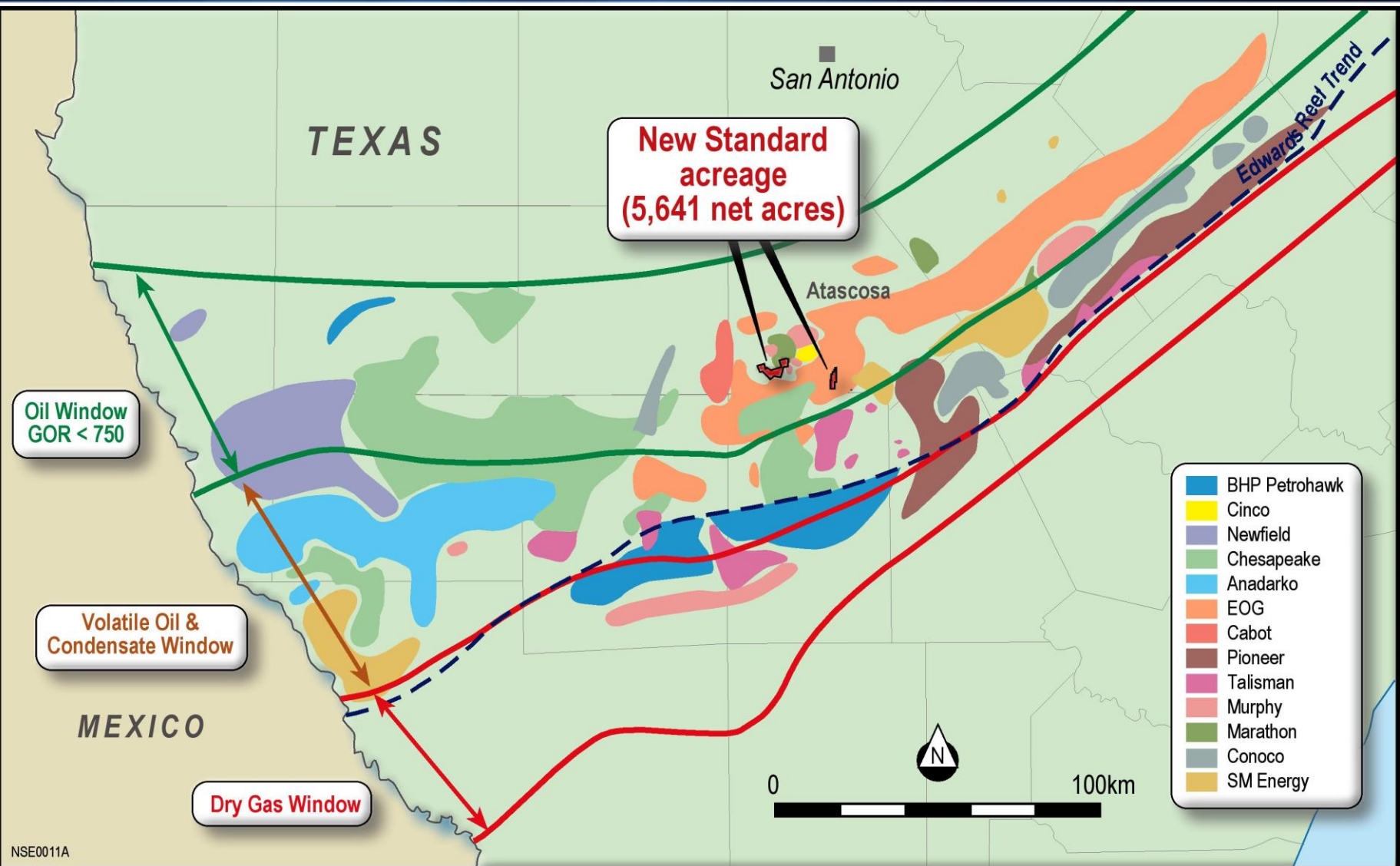
Driving Eagle Ford value creation

Key value drivers for Eagle Ford

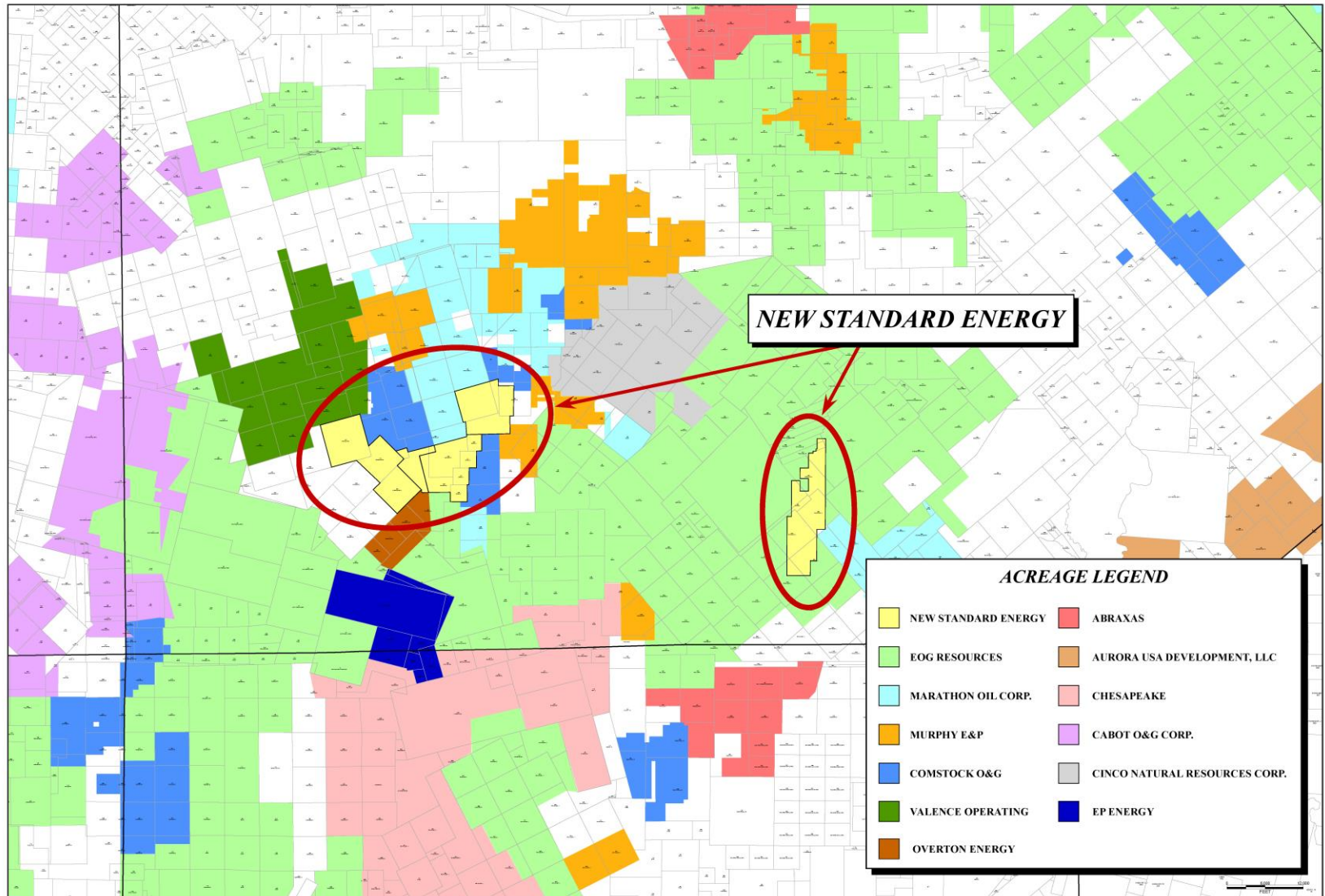
- Increase daily production - targeting ~1,500 Boepd (mid 2015), ~2,000 Boepd (end 2015)
(production generally valued at US\$75,000 – US\$100,000 per flowing Boepd)
- Increase reserves through more effective wells, longer laterals and more frac stages
- Improve IRR's through lower capital cost of wells and lower ongoing operating costs
- Build larger acreage position and drilling inventory in proven play



Eagle Ford, Texas



Eagle Ford, Texas – Atascosa County





US assets – Eagle Ford, Texas

A unique operating model with Magnum Hunter – building the foundations of a strong business alliance

- ✓ NSE retains Operator status and control of the program – contracting Magnum Hunter 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 – delivering on the objectives



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 made 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 first two wells inside four months

Peeler Ranch-5H and 6H completed in May and brought into production

On time and under budget

Over 27,000 BOE produced from two new wells by end June

Building acreage position

Locked in deal to increase our working interest from 30% to 80% and operating control from Marathon on our McCarty area

New three year leases negotiated with landowners for 471 net acres at \$2,500 with continuous drilling commitments pushed out to 12 month intervals

US assets – efficiency trends



Completed Well Costs

2013 cost \$8.5MM

2014 cost \$6.5MM

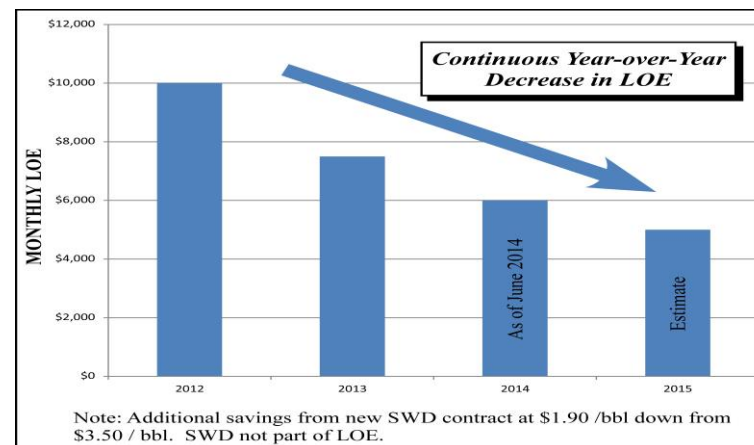
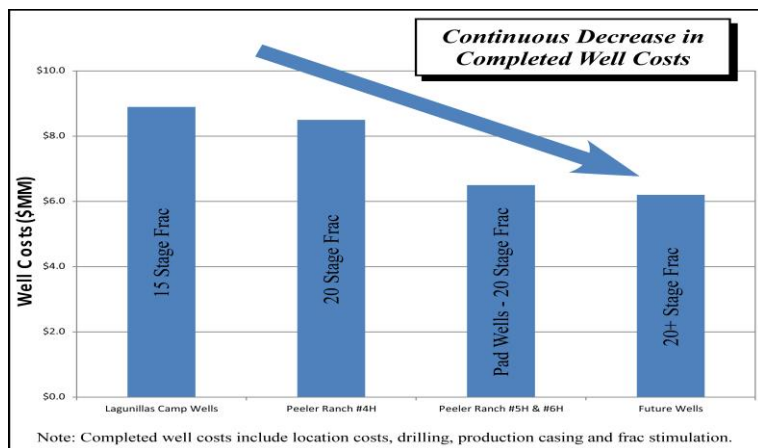
2015 cost <\$6.5MM

Lease Operating Expenses

2012 cost \$10k pm

2014 cost \$6k pm

2015 cost \$5k pm



Optimising Frac Design

2010/11 <15 stages, 310' spacing

2012/13 20 stages, 215' spacing

2014 20 stage, zipper frac, different surfactant and fluids

2015 >20 stages, enhanced frac fluids, more sand per 1000' of treated lateral

US assets – key economic drivers



Peeler-5H

Total Cost \$6.5 mill

20 frac stages

IP24 705 Boepd

IP30 415 Boepd

IRR 37%

Peeler-6H

Total Cost \$6.5 mill

20 frac stages

IP24 758 Boepd

IP30 374 Boepd

IRR 37%

Target for future wells

Total Cost < \$6.5 mill

> 20 stage fracs

IP24 > 700 Boepd

IRR > 35%

LOE < \$5,000 pm

Drilling Plan next 18 months

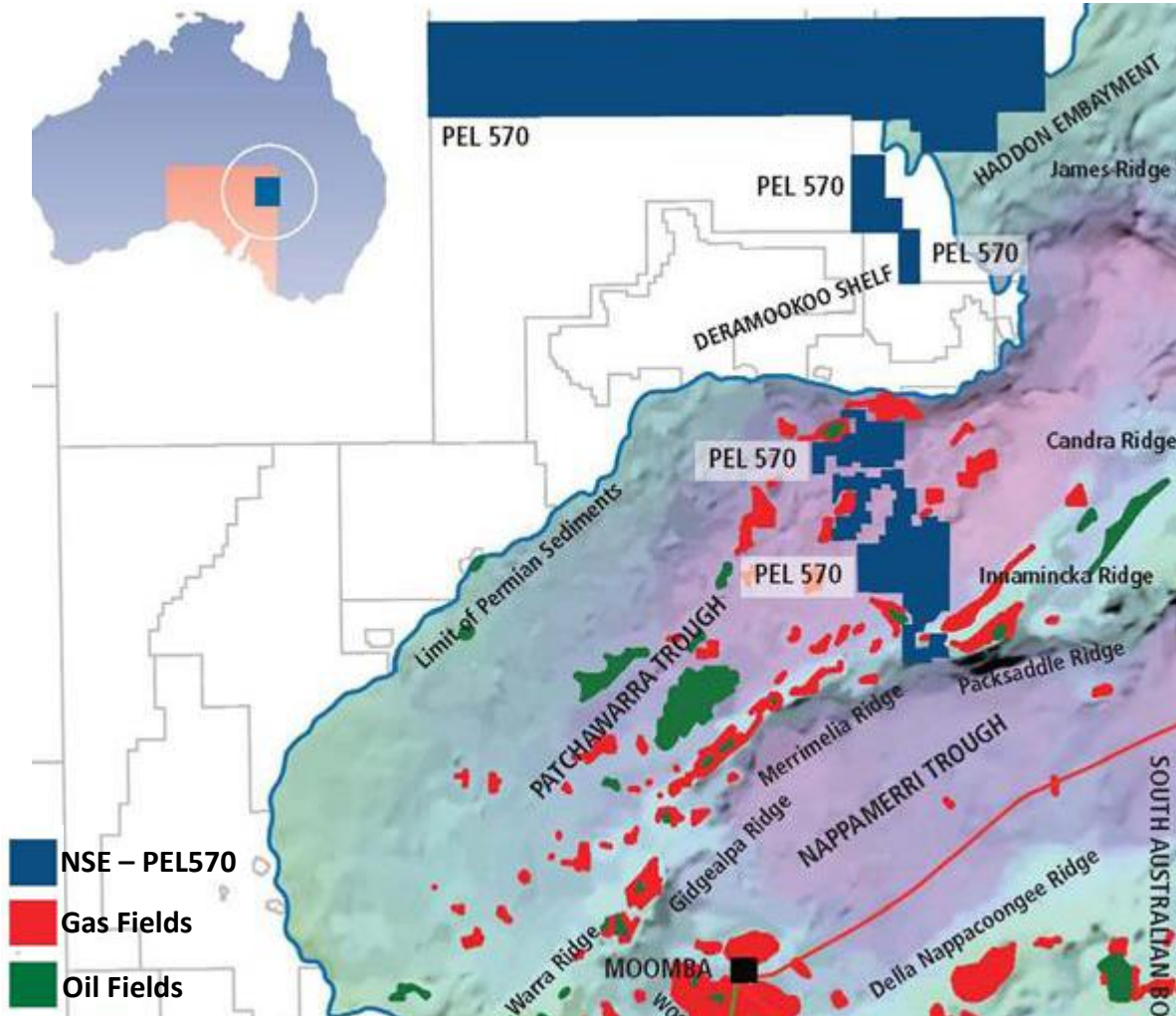
Next drilling activity to commence in October alongside updated reserves assessment

Total of 6 – 8 wells over next 18 months

Targeting longer laterals, more frac stages, higher sand leading to better treatment of laterals

Target production ~1,500 Boepd by mid 2015, ~2,000 Boepd by end 2015

South Australian assets – Cooper Basin

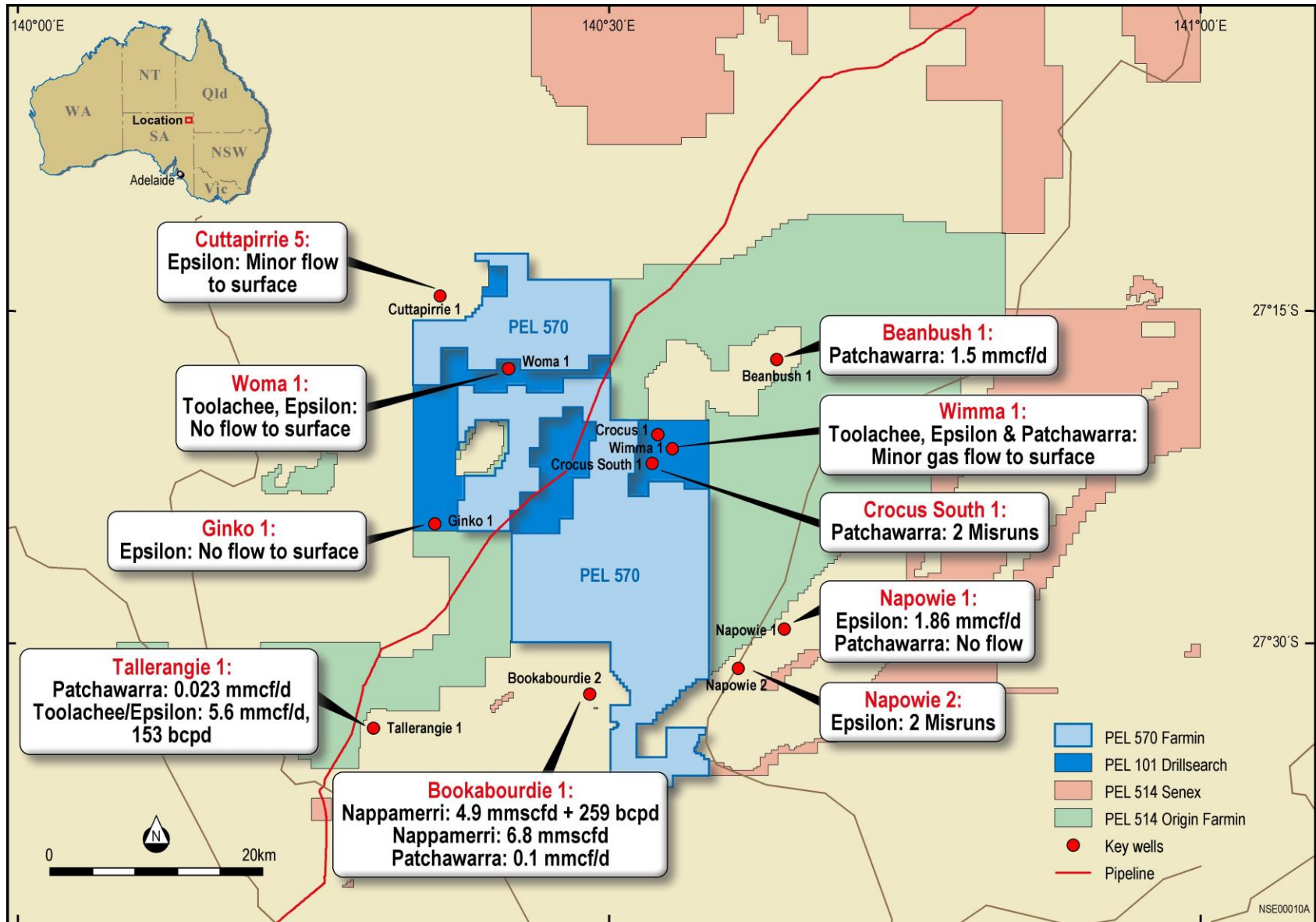


New Standard has secured a prime operated acreage position within the rapidly emerging Cooper Basin with proven prospectivity

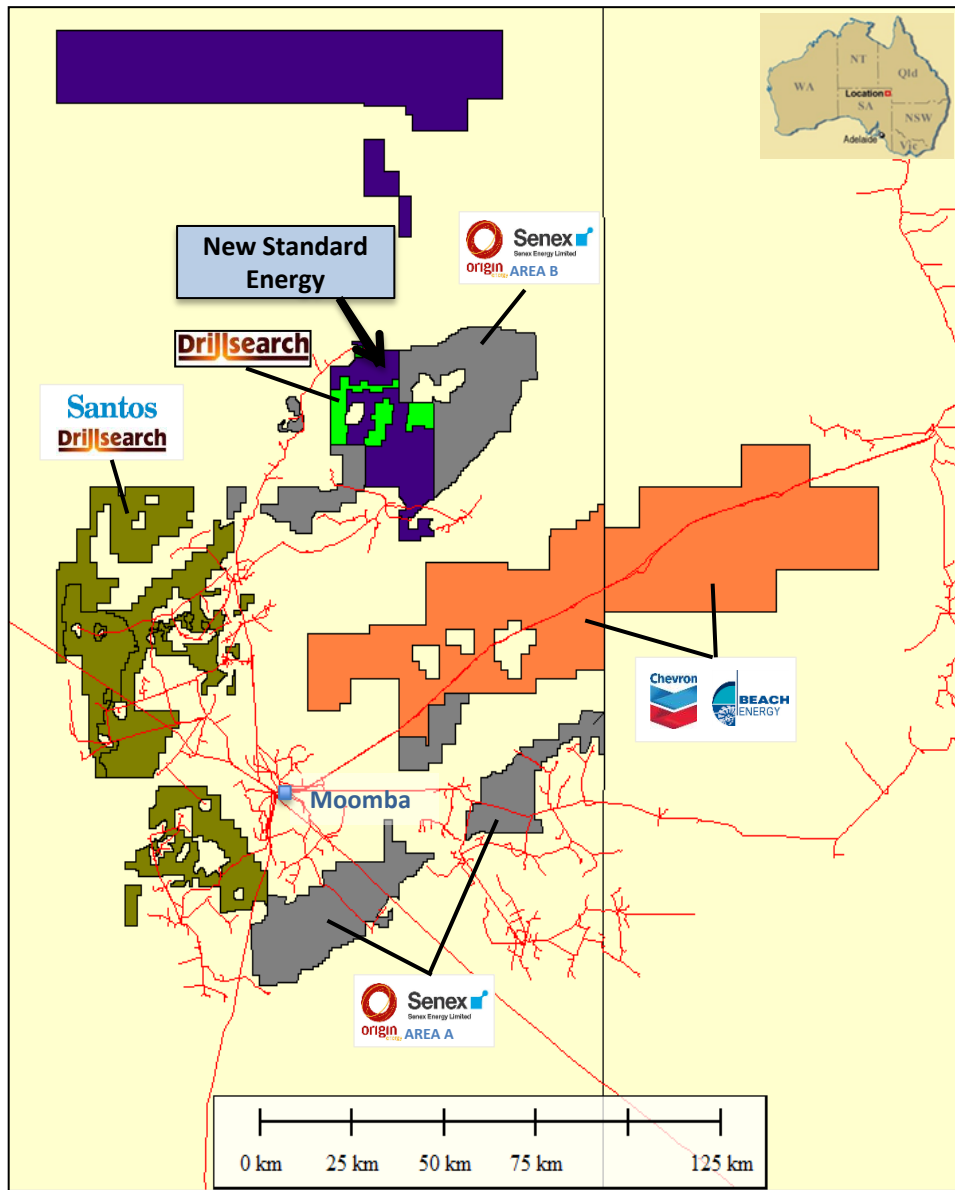
Cooper Basin Snapshot

- PEL570 in the heart of the Patchawarra Trough
- Supported by corporate level & asset level activity in the immediate area
- NSE 52.5% operated interest
- Magnum Hunter as partner
- Basin Centred Gas play

PEL570 – prime Cooper Basin location



Increasing corporate and drilling activity in basin



Drillsearch (Aug 2014):

On-market takeover of Ambassador Oil and Gas valuing Ambassadors 47.5% (carried) working interest at A\$48.7 million or \$1,020,000 per point.

Drillsearch (Aug 2014):

Announce 5 well drilling program in PEL 101, adjacent PEL 570

Origin Energy (Feb 2014):

A\$185m staged farm-in to Senex's PEL 115, 514 and 516.

Selected areas and stratigraphic zones. Senex retain operatorship for farm-in work program

New Standard Energy (Jan 2014):

New Standard Energy farm-in to 52.5% of PEL 570, funding the first \$42.5 million of the primary work program. Magnum Hunter Resources becomes a major shareholder of New Standard.

Santos (Jul 2013):

Farm-in to Drillsearch's PEL 106A and PEL 513 permits.

Focusing on wet-gas development

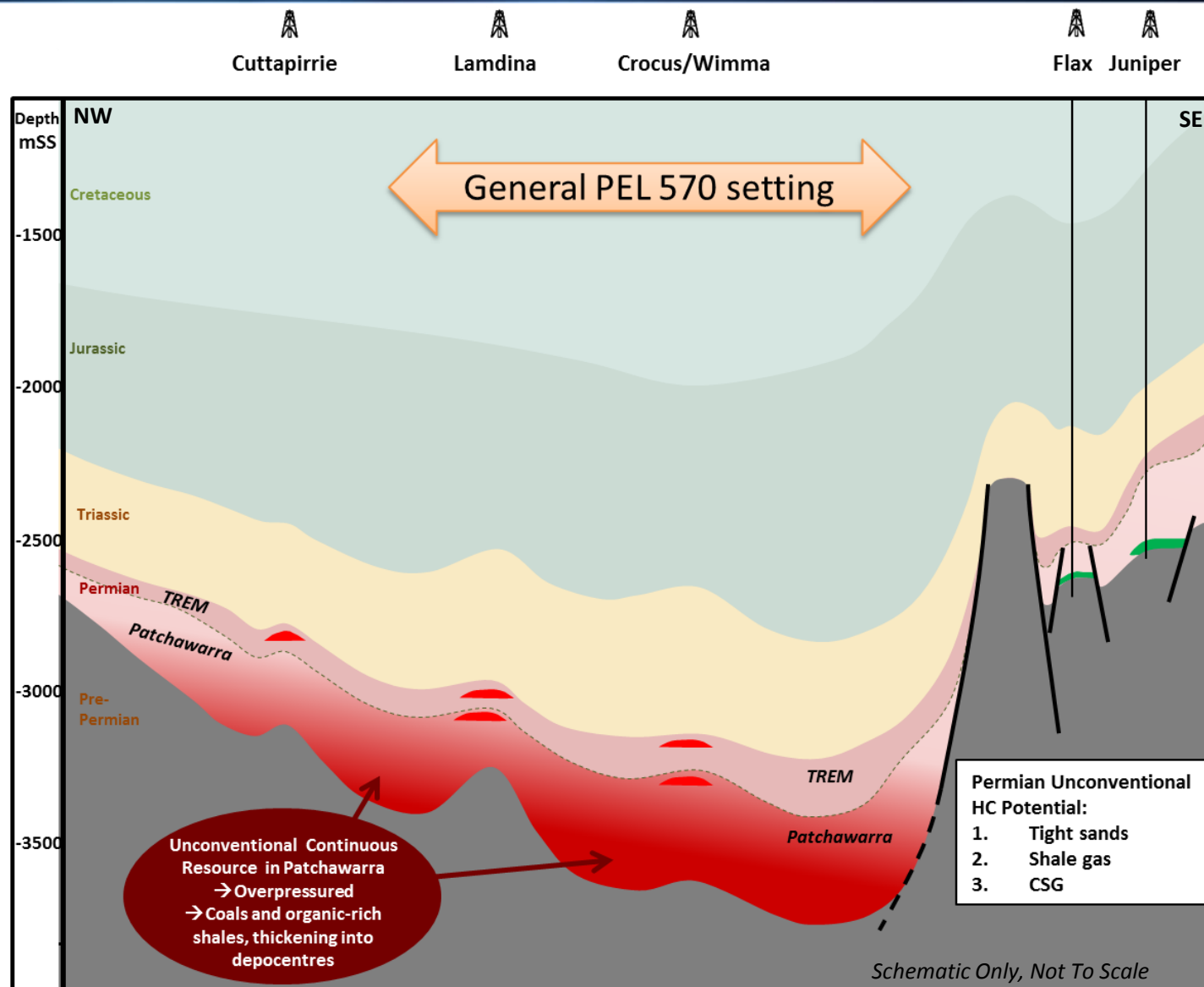
Beach Energy (Apr 2013):

Signs 173PJ gas sales agreement with Origin Energy

Chevron (Feb 2013):

A\$349m staged farm-in to Beach's PEL 218 and ATP 855 Nappamerri Trough permits

Schematic cross-section of Patchawarra Trough highlighting basin centred gas play





PEL570 - the way forward

- Work with Magnum Hunter and our PEL570 partner to develop a true unconventional work program
- Work with the Regulator to agree a revised work program that is appropriate for unconventional development
- Plan and prepare for drilling first well prior to March 2016
- Target is the Patchawarra tight sands and BCG play
- Complete studies and review all data using MHR experience
- Information gathering, expertise on frac design and assessment of information
- With support from MHR, seek opportunities to mitigate our balance sheet exposure on the capital commitments for PEL570
- Use MHR experience in horizontal drilling and fracing (both design and oversight on execution) and their strong relationships with service providers



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 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

Important notice



This document has been prepared by New Standard Energy Limited ABN 20 119 323 385 ("New Standard").

This presentation contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

All of New Standard's operations and activities are subject to joint venture, regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements, including native title arrangements. Although New Standard believes that the expectations raised in this presentation are reasonable there can be no certainty that the events or operations described in this presentation will occur in the timeframe or order presented or at all.

No representation or warranty, expressed or implied, is made by New Standard or any other person that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of New Standard, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence if any information in this presentation or any error or omission there from. Neither New Standard nor any other person accepts any responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation or any other information made available to a person nor any obligation to furnish the person with any further information.

It is not intended as an offer, solicitation or recommendation with respect to the purchase or sale of any securities. Prospective investors should make their own independent evaluation of an investment in New Standard including without limitation, seeking professional advice.

For more information contact:

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

newstandard.com.au



NEW STANDARD
ENERGY