



Date 6 October 2014

---

## New Standard assumes 100% ownership and commences farm out process of Western Australian exploration acreage

New Standard Energy Limited (**New Standard**) has engaged advisors to commence a formal process for the farm-out of its Western Australian exploration acreage aimed at eliminating any major capital commitment and thus in turn focusing efforts on growing the value of its production and development acreage in the Eagle Ford shale in the United States.

New Standard has mandated Miro Advisers to manage the farm-out process, which will now include the Southern Canning Project (**SCP**) after New Standard negotiated agreement with its Southern Canning Joint Venture (**SCJV**) partners ConocoPhillips and PetroChina to resume 100 per cent ownership of the SCP.

The ownership change enables New Standard to package the SCP into the formal farm-out process alongside its two other 100 per cent owned projects, the Laurel Project in the Canning Basin and the Merlinleigh Project in the onshore Carnarvon Basin.

The restructure removes the requirement for New Standard to spend more than \$10 million to drill a third well to complete Phase 1 of the SCJV agreement with ConocoPhillips and PetroChina. The terms of the restructure also stipulate that no claims will be made by the SCJV partners for any monies spent to date or any outstanding work that is yet to be performed pursuant to the Farm-Out Agreement.

New Standard is now able to add the entire Southern Canning Project to its farm-out package, providing potential farm-in partners with significant exposure to large permit areas totalling 15.6 million acres (63,400 km<sup>2</sup>) in three prospective basins and sub-basins.

New Standard Energy Managing Director Phil Thick said New Standard was continuing to focus its efforts and direct its capital towards the Atascosa Project, the Eagle Ford shale development project in Texas the Company secured in early 2014, with drilling set to re-commence soon.

"It is our clear priority to focus our capital on our Eagle Ford development," he said. "Our farm-out objective for our WA assets is to find a partner to fund the next stages of exploration in each of our projects such that New Standard has no significant funding commitments in WA. We continue in our discussions with the Department of Mines and Petroleum (DMP) to manage our commitments and maintain our permits in all areas, but given our huge acreage position, we also have the option to relinquish parts of our least prospective permits.

"The net impact is that we will receive all of the SCJV acreage back for nil consideration and most importantly it will be on the basis that there will be no immediate financial obligations that can't be managed. The advice we have received is that the addition of the Southern Canning Project to the farm-out package will be viewed very positively by potential partners as it will provide the flexibility to explore three prospective basins with meaningful equity positions in large acreages.

"ConocoPhillips has been a productive and supportive partner in the Southern Canning Basin and their technical input has been invaluable as New Standard seeks to identify the most prospective parts of the large and underexplored Southern Canning Basin," Mr Thick said.



“Meanwhile, New Standard is currently preparing for its next three well drilling program in the Atascosa Project in the Eagle Ford shale and we will commence drilling the first of those wells in mid-October, further adding to the value of our Atascosa Project acreage.”

- ENDS -

For further information, please contact:

Phil Thick  
Managing Director  
Ph: + 61 8 9481 7477  
Email: [pthick@newstandard.com.au](mailto:pthick@newstandard.com.au)

Cameron Morse  
FTI Consulting  
Ph: +61 8 9485 8888  
Email: [cameron.morse@fticonsulting.com](mailto:cameron.morse@fticonsulting.com)

**About New Standard:** New Standard Energy is an onshore hydrocarbon producer, developer and explorer with a commitment to develop and realise the oil and gas potential of the most prospective shale and tight gas basins across the US and Australia.

The Company's exploration and production program is active, well-funded and extensive. It is underpinned and complemented by targeted corporate activity to take advantage of opportunities and to build an extensive pipeline of prospective projects. New Standard's Board has substantial technical and commercial experience in the oil and gas sector.

The Company operates in four primary basins: Eagle Ford, Texas, USA; Cooper, South Australia; and the Canning and Carnarvon, Western Australia.

The Eagle Ford acreage is a development and production project. It contains seven existing production wells, in the oil window of the Eagle Ford shale, which are currently producing and generating revenue that will provide immediate monthly cash flow to the Company. New Standard is currently drilling and evaluating additional wells.

The Cooper Basin Project is later stage exploration and development, to take advantage of existing infrastructure and the domestic and export opportunities available in the Australian East Coast gas market.

The Canning and Carnarvon Projects are frontier basins, providing New Standard's investors with exposure to high risk, high reward exploration.

New Standard benefits from a strategic alliance with its major shareholder, the US-based Magnum Hunter Resources Corporation, to efficiently develop the Atascosa Project in the Eagle Ford; to develop the Cooper Basin; and to explore in the Canning and Carnarvon Basins. The Company's portfolio includes:

#### Texas

- Working interests ranging from 35.4% to 100% Working Interest across 5,585 net acres in the Eagle Ford shale, onshore Texas, USA
- 32.5% working interest in the Colorado County Project, onshore Texas, USA

#### South Australia

- 52.5% operated interest in the PEL 570 acreage area in the Cooper Basin, South Australia

#### Western Australia

- 25% operated interest in the Southern Canning Project (EPs 443, 450, 451, 456), Canning Basin, Western Australia
- 100% operated interest in the Southern Canning Project (application areas STP-EPA-006, STP-EPA-007 and STP-EPA-010), Canning Basin, Western Australia
- 100% operated interest in the Laurel Project (EP 417 and Exploration Permit Application STP-EPA-0109), Canning Basin, Western Australia
- 100% operated interest in the Merlinleigh Project (EPs 481 and 482), onshore Carnarvon Basin, Western Australia
- 100% operated interest in application area STP-EPA-0092

In addition to the above portfolio, New Standard has an 11.8% equity interest in ASX listed Elixir Petroleum (**ASX: EXR**) and has formed a strategic alliance with Magnum Hunter Resources Corporation (**NYSE: MHR**) to deliver expertise and corporate growth. New Standard is also continuing to actively assess other opportunities to complement and expand its exploration portfolio.