
ASX Announcement (ASX: NSE)



NEW STANDARD
ENERGY

Date: 24 March 2014

NEW STANDARD SUCCESSFULLY DRILLS SECOND WELL IN EAGLE FORD SHALE

New Standard Energy Limited (**New Standard**) is pleased to advise that it reached target depth at its second well in the Eagle Ford shale (**EFS**), the Peeler Ranch-6H well, last Friday, with casing being run over the weekend.

The drilling operations on Peeler Ranch-6H were completed well within expected time and budget forecasts.

The Peeler Ranch-5H (completed 25 February 2014) and 6H wells have been drilled in parallel lateral lengths, targeting the same Eagle Ford hydrocarbon bearing zone to maximise production and minimise associated drilling, hydraulic fracturing and production tie-in costs.

Operational focus has now shifted to the next stage of the development process, with fracture stimulation equipment due on site in April. The Peeler Ranch-5H and 6H will be fracture stimulated together using the “zipper frac” method, which alternates fracture stages between the two wells, and causes an incremental increase in fracture interaction, leading to better recovery.

Following fracture stimulation and completion during April, flow-back and tie-in to production will commence during late April/early May, which New Standard expects will provide the opportunity for additional reserve delineation. The two wells will add to the five existing wells already in production within the acreage.

New Standard Energy Managing Director Phil Thick said: “We have had an excellent start to our Eagle Ford drilling campaign and look forward to continuing to work alongside the team at Magnum Hunter to deliver more wells within budget and on time to facilitate increased production and revenue.”

Mr Thick said multiple well locations had been identified within the Company’s Atascosa Project Eagle Ford shale, and New Standard would work systemically with strategic business partner and significant New Standard shareholder Magnum Hunter Resources Corporation (**NYSE: MHR, Magnum Hunter**) to select those locations which will maximise reserves and production while balancing its capital commitments.

The wells are located on the Peeler Ranch lease within New Standard’s Atascosa Project, Texas, USA, which is operated on the company’s behalf by Magnum Hunter. New Standard has a 98.4375 per cent Working Interest and a 72.4125 per cent Net Royalty Interest in the two wells.

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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 five 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:

- Working interests ranging from 30% to 98.4% across 5,182 net acres in the Eagle Ford shale, onshore Texas, USA
- 52.5% operated interest in the PEL 570 acreage area in the Cooper Basin, South Australia
- 100% (diluting to 25%) operated interest in the Southern Canning Project (EPs 443, 450, 451, 456), Canning Basin, Western Australia
- 100% (diluting to 25%) 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 Seven Lakes SPA), Canning Basin, Western Australia
- 100% operated interest in the Merlinleigh Project (EPs 481 and 482), onshore Carnarvon Basin, Western Australia
- 32.5% working interest in the Colorado County Project, onshore Texas, USA

In addition to the above portfolio, New Standard has a 28.2% 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.