
ASX Announcement (ASX: NSE) (OTCQX: NWSTF)



NEW STANDARD
ENERGY

Date: 24 November 2015

New Cornerstone Investor for New Standard Energy

Highlights:

- New Standard Energy Limited (**New Standard** or **Company**) has executed a binding Share Subscription Agreement with Chinese company Huizhou Energy Investment (Beijing) Co, Ltd (**Huizhou**) to raise up to \$2.5m and secure a farm-in partner for the WA assets
- Huizhou to subscribe for 91.4 million shares at 1c per share to raise \$914,000 (**Placement**)
- Post completion of the Placement, New Standard intends to complete a rights issue to all shareholders on the basis of 1 new share for every 3 shares held to raise up to \$1.6m (**Rights Issue**)
- Huizhou will become New Standard's largest shareholder, will be entitled to participate in and has agreed to fully underwrite the Rights Issue
- Huizhou has access to significant capital, industry experience, technical expertise and potential business partners and has committed to work closely with the Company to secure a farm-in partner to fund the further exploration and development of the Company's WA assets
- Huizhou will also work with New Standard to look for new opportunities and potential new assets to grow the Company and increase shareholder value

Placement

New Standard and Huizhou have executed a binding Share Subscription Agreement (**Agreement**) that will see the Company issue 91,442,400 new ordinary fully paid shares to Huizhou at a price of \$0.01 per share. The Placement will be made via the Company's existing capacity under ASX Listing Rules 7.1 and 7.1A and upon completion will make Huizhou the Company's largest shareholder with 19.15% of the expanded capital base.

Both parties have completed all due diligence and the only remaining conditions precedent are procedural in nature and expected to be met in a short timeframe. The Agreement also includes a six month standstill agreement for disposal of the placement shares. Upon completion of the Placement, Huizhou has the right to appoint up to two New Standard Board positions.

Rights Issue

The Rights Issue will follow the placement as soon as practically possible and all shareholders, including Huizhou in respect of the Placement shares, will be given the opportunity to participate on the basis of 1 new share for every 3 shares held at the record date. A prospectus is currently being prepared for the Rights Issue and will be lodged as soon as practicable following the completion of the Placement.

The intended Rights Issue price will be the lower of \$0.01 per share and a 25 percent discount to the 30 day VWAP prior to lodgment of the prospectus (rounded up to the nearest 0.1c to comply with the ASX Listing Rules).

The rights issue will raise up to approximately \$1.6 million depending on final price and Huizhou has committed to fully underwrite the rights issue to ensure a successful raising.

Further details on the intended Rights Issue and associated timetable will follow in due course.

Technical and Farm-in Assistance

New Standard is currently working closely with Huizhou's technical team to fully assess the WA acreage, rationalise the acreage position to ensure a clear focus and revise the forward work programs with the Company and the Western Australian Department of Mines and Petroleum to suit the technical approach moving forward. Huizhou has access to proprietary technology and knowledge that has been proven in other geological provinces globally that will be utilized in shaping and executing future exploration programs.

As part of the Agreement, Huizhou has committed to working with New Standard to help secure a farm-in partner to fund the ongoing exploration and development of the WA assets. Whilst no guarantee can be given in this regard, Huizhou has significant experience in working in remote locations and exploring for hydrocarbons in early stage exploration opportunities and has access to substantial capital and potential farm-in partners.

About Huizhou Energy

Huizhou is a Chinese company investing in exploration and development of oil and gas. Huizhou has access to capital, a professional team and advanced technology for exploration.

Huizhou's core technology, holographic aeromagnetic photography, is widely used in petroleum exploration and other mineral resources. This technology can accurately predict location, depth, reserves and grade of deposits.

Huizhou has a technical team of 24 people providing technical services on oil exploration and production. The core technical staff have more than 10 years oil field experience each in relation to seismic data processing, interpretation and inversion, petrophysics, reservoir geology, reservoir engineering and mapping technology.

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About New Standard: New Standard Energy is an onshore hydrocarbon explorer with a large high risk, high reward Western Australian portfolio located in the Canning and Carnarvon basins.

Western Australia

Southern Canning Project

- 100% operated interest in exploration permits (EPs 443, 450, 451, 456), Southern Canning Basin, Western Australia
- 100% operated interest in exploration permit application areas (STP-EPA-006, STP-EPA-007 and STP-EPA-010), Southern Canning Basin, Western Australia

Laurel Project

- 100% operated interest in exploration permit EP 417, Northern Canning Basin, Western Australia
- 100% operated interest in exploration permit application areas (STP-EPA-0092 and STP-EPA-0109), Northern Canning Basin, Western Australia

Merlinleigh Project

- 100% operated interest in exploration permits (EPs 481 and 482), onshore Carnarvon Basin, Western Australia