

2 December 2016

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENTS ISSUE

As announced on 30 November 2016, New Standard Energy Limited (ACN 119 323 385) (ASX Code: NSE) (**New Standard** or **Company**) is undertaking a pro rata non-renounceable entitlements issue to raise approximately \$955,224 (before the costs) (**Offer**).

Under the Offer eligible shareholders will be able to subscribe for one (1) fully paid ordinary share in the capital of the Company (**Share**) for every two (2) Shares they hold at an issue price of 0.4 cents per Share (**Issue Price**). The Issue Price represents a 25% discount to the volume weight average trading price (**VWAP**) for the thirty days trading to 28 November 2016.

The Company lodged a prospectus for the Offer with ASIC and ASX on 30 November 2016 (**Prospectus**).

The Offer is fully underwritten by China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd (**Underwriter**). The Underwriter is an entity controlled by Chairman, Mr Hui Song and is currently New Standard's largest shareholder. The Company must pay the Underwriter an underwriting fee of 4% of the total amount raised pursuant to the Offer.

The funds raised under the Offer will be used to continue the Company's exploration programs and to provide the Company with working capital and funding to review other opportunities available to the Company.

The Offer is being made to eligible shareholders of the Company named on its register of members at 5:00pm (WST) on 6 December 2016 (**Record Date**), whose registered address is in Australia and New Zealand (**Eligible Shareholders**).

Shares issued under the Offer will rank equally with existing Shares on issue on the Record Date.

The Company will make application for official quotation of the new Shares proposed to be issued under the Offer. Share entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

A shortfall offer will be available allowing eligible shareholders to apply for additional Shares (**Shortfall Shares**) over and above their entitlements (additional Shares will be allotted to the extent there is a shortfall under the Offer) (**Shortfall Offer**). Further details of the Shortfall Offer are set out in the Prospectus.

238,806,001 Shares will be issued pursuant to the Offer (based on the number of Shares on issue at the Record Date) resulting in total Shares on issue of approximately 716,418,004 following completion of the Offer.

The proposed timetable for the Offer is as follows:

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	Date
Lodgement of Prospectus with the ASIC	30 Nov 2016
Lodgment of Prospectus and Appendix 3B with ASX	30 Nov 2016
Notice sent to Optionholders	1 Dec 2016
Notice sent to Shareholders	2 Dec 2016
Date Shares start trading on an 'ex-entitlement' basis	5 Dec 2016
Record Date for determining Shareholder entitlements	6 Dec 2016
Prospectus sent out to Shareholders	9 Dec 2016
Last day to extend the offer closing date	15 Dec 2016
Closing Date of Offer	20 Dec 2016
Securities quoted on a deferred settlement basis	21 Dec 2016
Notify ASX of under-subscriptions	23 Dec 2016
Issue date/Shares entered into Shareholders' security holdings	29 Dec 2016

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

ACTIONS REQUIRED OF ELIGIBLE SHAREHOLDERS

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your entitlements to subscribe for Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare Investor Services Pty Ltd (**Share Registry**) by no later than 5:00pm (WST) on 20 December 2016, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable to '**New Standard Energy Limited**' in Australian currency, for the amount indicated on the Entitlement and Acceptance Form OR make a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (WST) on 20 December 2016, by completing and returning your Entitlement and Acceptance Form by filling in the number of Share you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable to '**New Standard Energy Limited**' in Australian currency, for the appropriate application monies OR make a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.004 per Share).
- You may wish to apply for Shares **above your Entitlement** under the Shortfall Offer. You may apply for Shortfall Shares by completing the prescribed area on the Entitlement and Acceptance Form. Whilst the Directors will endeavour to give you priority under the Shortfall Offer, the Shortfall to the Offer is to be issued pursuant to the allocation policy set out in Section 4.6 of the Prospectus and as such there is no guarantee that any Shortfall Shares applied for will be issued to you.



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- You may do nothing. If you choose to do nothing with your Entitlement, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

A copy of the Prospectus is available on ASX's and New Standard's website: <http://www.newstandard.com.au> and on the Company's online ASX platform <http://www.asx.com.au/asx/share-price-research/company/NSE>.

Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 9 December 2016. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Any person considering acquiring Shares under the Offer should read the Prospectus carefully. Applications for Shares under the Offer may only be made using the Entitlement and Application Form attached to your Prospectus. New Shares will only be issued on the basis of an Entitlement and Application Form issued together with the Prospectus.

New Standard encourages all Eligible Shareholders to participate in the Offer.

If you have any queries concerning the Offer, or the action you are required to take to subscribe for Shares under the Offer, please contact your financial adviser or Mindy Ku of Corporate Board Services at mindyk@corpbservices.com.

Yours sincerely,

Mr Bruce Li
Managing Director