

1 December 2016

Dear Sir or Madam

NON-RENOUNCEABLE ENTITLEMENT 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 \$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.

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.

Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.

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.

New Standard Energy Ltd. | ACN 119 323 385

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OPTIONHOLDERS

You or an entity associated with you are an optionholder of the Company. The terms and conditions of the options you currently hold do not entitle you to participate in the Offer unless you exercise your options in time for new Shares to be allotted and to be entered on the Company's register of members on or before the record Date. You will need to confirm that your options are currently exercisable under the terms of your granted options. Each share allotted as a result of the exercise of an option will rank equally with all Shares in the Company.

To exercise your options and thereby participate in the Offer, you will need to deliver the following to the Company at PO Box 1542, West Perth WA 6872:

- i. A notice of exercise of options
- ii. An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised); and
- iii. Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "New Standard Energy Limited".

To ensure that your new shares allocated prior to the Record Date, the above must be received by the Company no later than 5:00pm (WST) on 5 December 2016. If received after this date, allotment of new Shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

Details of the Offer are set out in the Company's announcement dated 30 November 2016 and in the Prospectus lodged with ASX on 30 November 2016.

This notice is important and requires immediate attention. If you have any queries concerning Offer, please contact your financial adviser or Mindy Ku of Corporate Board Services at mindyk@corpbservices.com.

Yours sincerely,

Mr Bruce Li
Managing Director