2 MARCH 2012 **ASX Announcement**

NEW STANDARD INVESTMENT IN ELIXIR PETROLEUM (ASX: NSE)

HIGHLIGHTS

- **Up to 15% equity stake in Elixir via placements and underwriting of entitlement issue**
- **Provides exposure to emerging conventional and unconventional exploration prospectivity onshore France**

New Standard Energy Ltd (**New Standard**) has agreed to acquire up to a 15% equity stake in ASX-listed Elixir Petroleum (**Elixir**) (ASX: EXR) via a placement and underwriting of an entitlement issue. The investment will be up to $2.25 million.

Elixir owns 100% of the Moselle Project in the Paris Basin of France which, at 5,360 km^2 in area (or approximately 1.34 million acres), is the largest single exploration block in onshore France with both conventional and unconventional exploration prospectivity.

New Standard Managing Director Sam Willis said New Standard's technical team has been reviewing a number of exploration projects and opportunities as part of the long term growth plans for the company. Following the technical review of the Elixir acreage, in particular the Moselle Project, an investment in Elixir met with New Standard's assessment criteria and longer term strategy.

"This is a strategic investment in a company with a 100% interest in an interesting, but early stage exploration footprint onshore France. The Moselle Project meets our investment criteria and although France has its challenges currently, it represents a substantial potential resource located in a market with robust gas prices and established infrastructure." Mr Willis said.

New Standard's up to 15% equity investment in Elixir will be acquired through a combination of a share placement, entitlement underwriting and a top up placement facility (if required) for an investment of up to $2.25m (approx). The initial placement at 6.25 cents per Elixir share is unconditional. The total equity investment and average pricing paid per share will be subject to the outcome of Elixir's 5 cents per share underwritten entitlement issue, together with any decision by New Standard to top up its equity interest to 15% via a top up placement. If it is required, the top up placement will be on the same terms as the initial placement.

Both the initial placement and the top-up placement facility (if required) will be conducted using Elixir's current 15% placement capacity and will not require Elixir shareholder approval.

-ENDS-

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About New Standard: New Standard Energy is an aggressive hydrocarbon developer with a mandate to explore for oil and gas. Its exploration and drilling program is active, well funded and extensive. The company's exploration program is underpinned and complemented by targeted corporate activity to take advantage of opportunities and to build an extensive pipeline of exploration projects. New Standard's board has extensive technical and commercial experience in the oil and gas sector.

New Standard currently has cash resources of approximately $25.0m (including pre-paid exploration costs in the US) with this cash position to be further supplemented by income being generated from the Colorado County Project in Texas and cash calls under the ConocoPhillips farm-in agreement. The Company is primarily focused on aggressively progressing its oil and gas exploration portfolio focused on the onshore Canning and Carnarvon Basins in Western Australia. The portfolio includes:

- 100% (diluting to 25%) operated interest in EP's 443, 450, 451, 456 in Western Australia's Canning Basin
- 100% (diluting to 25%) operated interest in application areas 1/09-0, 2/09-0 and 5/09-0 in the Canning Basin
- 65% (diluting to 50%) operated interest in EP417 in the Canning Basin
- 60% operated interest in the Seven Lakes SPA area in the Canning Basin
- 100% operated interest in the Merlinleigh project, onshore Carnarvon Basin Western Australia
- 32.5% working interest in the Colorado County Project, onshore Texas USA
- 38.5% working interest in the Moeller Project, onshore Texas USA
- 36% working interest in the Wharton County Project, onshore Texas USA
- 32.5% interest in a license for 1,000 square miles of 3D seismic data

The company is pursuing conventional hydrocarbons in the United States and conventional hydrocarbons and shale gas in Australia.

In addition to the above New Standard has indirect exposure to a broad acreage position in the Canning Basin through a liquid equity interest (15m shares) in listed Canning Basin explorer Buru Energy Ltd (ASX: BRU) and is actively assessing other opportunities to complement and expand its portfolio.