

Pathfinder Energy Pty Ltd – MEDIA ANNOUNCEMENT

10 December 2013

Pathfinder Energy completes first transaction, assists New Standard Energy to transform and opens door to Cooper Basin for US energy company, Magnum Hunter Resources.

Perth-based Pathfinder Energy Pty Ltd (Pathfinder) is pleased to announce its first sale transaction through which ASX-listed company New Standard Energy (ASX: NSE) will expand its exploration into the Cooper Basin via a farm-in deal with Ambassador Oil and Gas Limited (ASX: AQO) and gain 5,182 acres of prime Eagle Ford oil-producing acreage in South Texas.

The deal, which remains subject to NSE shareholder approval in January 2014, will see US energy company Magnum Hunter Resources Corporation (NYSE: MHR) take a direct interest in Australia's emerging unconventional oil and gas plays, by becoming NSE's largest shareholder. The parties have also executed a letter of intent whereby MHR intends to provide operational and technical support to NSE's exploration program.

NSE will secure a 52.5% farm-in for the highly prospective PEL 570 exploration permit in the Cooper Basin (South Australia) with Ambassador Oil and Gas Ltd (47.5%) following shareholder approval.

Two Pathfinder sister companies are being sold to NSE to transfer the Cooper Basin farm-in and the Eagle Ford purchase option.

Following closure of the deal, Pathfinder will receive back costs, AU\$5.6 million, an initial tranche of shares in NSE and potentially a second performance-based tranche, subject to the outcome of four Eagle Ford development wells over the next 12 months. Alignment between the groups is supported by Pathfinder's shareholders taking shares in NSE and both MHR and Pathfinder's rights to NSE board seats.

Pathfinder Energy Executive Chairman Michael Fowler said: "Today's announcement has its origins in the close working relationship Pathfinder has formed with Magnum Hunter over recent years."

"We are pleased to reach agreement that will lead to our first sale transaction; we believe these transactions build the foundation for substantial growth and development, one we think is a natural fit and contains positives for all parties. We are also confident this deal will lead to further business in the exciting unconventional space in Australia, and we look forward to working with New Standard and Magnum Hunter in the years ahead."

Further information on the transaction is available via the NSE and AQO announcements of 10 December 2013.

ENDS

About Pathfinder Energy Pty Ltd, Pathfinder Onshore and Outback Energy Hunter: Outback Energy Hunter and Pathfinder Onshore are sister companies of private oil and gas company Pathfinder Energy Pty Ltd, owned predominantly by the three founders Michael Fowler (Executive Chair), Ian

Boserio (Technical Director) and Vince Rusciano (Finance Director). Through its offshore arm, Pathfinder also holds 100% interest in two permits Offshore WA adjacent to the major exploration program recently begun by Woodside and Shell. www.pfenergy.com.au

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