



NEW STANDARD
ENERGY

ASX Code: NSE

ACN 119 323 385

CONTACT DETAILS

Gr Fl, 30 Richardson Street
West Perth WA 6005
PO Box 1542
West Perth WA 6872

Tel: (08) 9481 7477

Fax: (08) 9486 7670

E: info@newstandard.com.au

W: www.newstandard.com.au

BOARD OF DIRECTORS:

Ian Paton
Chairman

Sam Willis
Managing Director

Mark Hagan
Technical Director

Mark Clements
Company Secretary

ISSUED CAPITAL

141,543,010 Shares

28,300,000 Unlisted Options

MARKET CAPITALISATION

\$7.1 m
(@ \$0.05 per share)

CASH ON HAND
ATTRIBUTABLE TO NSE
at 30.06.09

\$4.0 m

Quarterly Report

April to June 2009

HIGHLIGHTS

Colorado County Project

- 3D seismic data received and initial interpretation being undertaken
- 6 to 10 well oil and gas drilling program scheduled to commence by October

Canning Basin Projects

- Discussions underway with joint venture partner Buru to jointly focus efforts on highly prospective Acacia Fairway oil play
- Desktop exploration review and planning to determine appropriate exploration methods and timetable

CORPORATE ACTIVITIES

New Standard Energy (NSE) continues to advance its upstream oil and gas portfolio through a mix of work on the complementary high risk, high return Canning Basin frontier permits and the near term exploration/appraisal interests in the Colorado County Project, onshore Texas Gulf in southern USA.

At the Colorado County Project in the US, an intensive phase of 3D seismic analysis is nearing completion, with pleasing results to date. Over 50 oil and gas leads and prospects have been identified, highlighting greater potential upside than initially expected.

Exploration/appraisal drilling of this project is anticipated to commence in September/October with an initial 6-10 well program. The drilling campaign will be funded from existing cash reserves, with any drilling success having the potential to generate cash flow within a short timeframe.

The Canning Basin program is currently focused on determining the best manner to exploit the key Acacia Fairway oil play. NSE believes the Acacia Fairway play has significant exploration potential and is focused on unlocking this potential. Exploration review work and planning is being undertaken with a view to identifying a number of innovative approaches to this frontier exploration.

The majority of NSE's Canning Basin permit obligations remain the responsibility of our joint venture partner Buru Energy Ltd (Buru or BRU). Whilst the review work and planning is being undertaken NSE has decided to defer additional significant expenditure in the Canning Basin by not revisiting the Lawford 1 well on EP417 this calendar year.

The Company is also assessing a number of new growth opportunities, consistent with our growth strategy.

COLORADO COUNTY PROJECT – NSE 32.5% WI

The newly acquired 3D seismic data was received by AKG Energy (US based operator of the Colorado County project) during the quarter and interpretation over the data has begun across the project area. Slight processing delays have been experienced but overall the initial interpretation is producing encouraging results at the expected reservoir levels with greater potential upside associated with identified oil and gas leads and prospects than originally anticipated. To date in excess of 50 leads and prospects have been identified and further work is currently being undertaken to distil these for the joint venture to determine the prospects to be targeted by the initial drilling program. It is expected that the joint venture partners will meet in August 2009 to review the technical data in more detail and agree the targets for the initial 6-10 well program scheduled for commencement in September/October of 2009.

For personal use only

CANNING BASIN PROJECTS

Canning Basin EP417 Joint Venture – NSE 65% (Operator), BRU 35%

No further work was conducted on the ground for EP417 during the June quarter. A decision has been made not to pursue revisiting Lawford 1 this year. It is the collective view of the joint venture parties that economic parameters, coupled with the available drilling window, involved with revisiting Lawford 1 are not attractive at the current time and accordingly a decision to delay the remainder of the drilling until next calendar year is considered prudent.

Canning Basin Buru Joint Venture (EP442, 443, 450, 451, 456) – NSE 90%, BRU 10% (Operator)

Buru (as operator) notified NSE in October 2008 that applications for 12 month suspension and extension of work commitments had been made to DMP in relation to EP442, 443, 450 and 451. NSE is yet to receive any confirmation in relation to the outcome of these applications.

No further work was undertaken on the joint venture permits during the June quarter.

Canning Basin Trident Joint Venture (EP442A) – NSE 82.5% (Operator), Trident 17.5%

NSE and Trident Energy (Trident) have agreed to commence phase one of the initial work program including desktop reviews of the EP442A sub-block and sourcing advanced aeromagnetic and gravity data interpretation of the existing data sets. The results of this initial work will help determine phase two of the program. Trident is contributing to 25% of the costs of future work to earn a 17.5% interest in the EP442A sub-block.

NON CORE ASSETS

Callie Soak Joint Venture (EL20/669) – NSE 80%, Richmond 20%

NSE is currently completing the acquisition of an 80% interest in the Callie Soak tungsten project (EL20/669) through the payment of \$40,000 to the vendors of the project, Richmond Resources Pty Ltd.

NSE continues to review its position in relation to the non-core assets of the Callie Soak tungsten project in WA, the Wilks Creek tungsten project in Victoria and the Mt McDonald North coal project in Qld. NSE continues to monitor the market in these sectors and is pursuing various alternatives regarding potential divestment or rationalisation of this portfolio of assets.

BURU ENERGY JOINT VENTURE UPDATE

During the quarter Buru Energy Ltd (ASX: BRU) announced that the proposal from Arenite Pty Ltd had terminated and as a result the merger implementation agreement between the two entities had also been terminated.

BRU remains a strong joint venture partner of NSE and with the removal of uncertainty regarding its future ownership, NSE is now well placed to continue discussions with BRU to progress the joint venture partnership and focus on the Acacia Fairway oil play.

NSE has an agreement in place whereby BRU will sole fund the costs of acquiring 1,000km on 2D seismic data in addition to sole funding the drilling of at least 2 wells on the 5 permits. For the duration of the earn-in program under the farm-in, BRU is also required to meet all costs of maintaining the permits in good standing.

Competent Person: *The information in this announcement is based on information provided to New Standard Energy by AKG Energy LP and Burlison Energy Ltd and reviewed by Dr Mark Hagan (BSc Hons, PhD) who is a Petroleum Geologist and Geophysicist with more than 35 years experience in the industry. Dr Hagan is Technical Director of New Standard Energy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

For personal use only