

NEW STANDARD ENERGY LIMITED
ACN 119 323 385

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.004 per Share to raise \$955,224 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Offer is fully underwritten by China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd (a company incorporated in China) (**Underwriter**). Refer to Section 8.4 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Hui Song
(*Non-Executive Chairman*)

Mr Hua Li
(*Managing Director*)

Mr Ning Han
(*Non-Executive Director*)

Mr Xiaofeng Liu
(*Non-Executive Director*)

Mr Dongbo Zhang
(*Non-Executive Director*)

Company Secretary

Mr Hua Li

ASX Code: NSE

Share Registry*

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000

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Perth WA 6840

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Registered Office

6 Outram Street
West Perth WA 6005

Telephone: + 61 8 9481 7477
Facsimile: +61 8 9324 3366

Email: info@newstandard.com.au
Website: www.newstandard.com.au

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Underwriter

China International Economic Hui Zhou Energy
Investment (Beijing) Co., Ltd
61644, 4th Floor,
Unit 16, Suyuan Apartment
Friendship Hotel
Haidian District, Beijing, China

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	30 Nov 2016
Lodgement of Prospectus & 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 Entitlements	6 Dec 2016
Prospectus sent out to Shareholders	9 Dec 2016
Last day to extend the Closing Date of Entitlements Issue	15 Dec 2016
Closing Date of Entitlements Issue*	20 Dec 2016
Shares quoted on a deferred settlement basis	21 Dec 2016
ASX notified of under subscriptions	23 Dec 2016
Issue date/Shares entered into Shareholders' security holdings	29 Dec 2016
Quotation of Shares issued under the Offer*	3 Jan 2017

*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.

3. IMPORTANT NOTES

This Prospectus is dated 30 November 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and Management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the directors of New Standard Energy Limited (**New Standard or Company**), it is my pleasure to present this non-renounceable entitlement issue (**Offer**) of shares to Eligible Shareholders. The aim of the Offer is to raise approximately \$955,224 before costs to fund the Company's working capital prior to recommencing exploration activities for hydrocarbons (oil and gas) in Western Australia (WA).

Under the Offer, Eligible Shareholders have the opportunity to subscribe for one (1) fully paid ordinary share (**Share**) in the Company for every two (2) Shares held on the Record Date, at an issue price of \$0.004 per Share. This represents a 25% discount to the 30-day VWAP per Share to 28 November 2016, rounded up to the nearest \$0.001.

The Offer is fully underwritten by China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd (**Underwriter**), being New Standard's largest shareholder and an entity controlled by me. In the event that the Offer is not fully subscribed, together with the Underwriter we are pleased to offer those Shares not subscribed for under the Offer to existing and new shareholders (**Shortfall Offer**). If you would like to participate in the Shortfall Offer please read this document in its entirety and contact the Company or the Underwriter for further information.

New Standard is working closely with the Underwriter's technical team to assess the Company's acreage to confirm the most prospective areas. Following this, the Company will rationalise the acreage position to ensure a clear focus and revise the forward work programs with the Western Australian Department of Mines and Petroleum to suit the new technical approach moving forward. The Underwriter is in a strong position to assist the Company because it has access to proprietary technology and knowledge proven in other geological provinces that will be utilized by New Standard to shape future exploration programs on New Standard's acreage in the Canning and Carnarvon Basins.

The Underwriter is working with New Standard to help secure a farm-in partner to fund the ongoing exploration and development of the Company's WA assets. The Underwriter has significant experience in working in remote locations and completing early stage exploration for hydrocarbons, has access to substantial capital and knowledge of potential farm-in partners. Funds raised through this Offer will provide working capital to allow the Company to continue holding its WA assets whilst it pursues a joint venture partner so that it can recommence effective exploration for hydrocarbons.

Before making your decision to invest, I ask that you carefully read this Prospectus and seek professional advice if required.

Thank you for considering this Offer and we are grateful for your continued support.

Yours sincerely



Hui Song
Chairman

30 November 2016

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.004 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 238,806,002 Shares will be issued pursuant to this Offer to raise \$955,224.

As at the date of this Prospectus the Company has 1,350,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) make a BPay® payment by using the Biller Code and Reference Number shown on your Application Form. If you have multiple holdings you will have multiple Bpay Reference Numbers. To ensure you receive your Shares in respect of that holding you must use the specific Biller Code and Reference Numbers shown on each personalised Entitlement and Acceptance Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded. If you make your payment using Bpay® you do not need to return your Entitlement and Acceptance Form. You may also have your own limit on the amount that can be paid via Bpay. It is your responsibility to check that the amount you wish to pay via Bpay does not exceed your limit; or
 - (ii) complete the Entitlement and Acceptance Form and attach 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 to the Company's share registry; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and attach 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 (at \$0.004 per Share) to the Company's share registry; or

- (c) if you wish to accept your full Entitlement and apply for Shortfall Shares follow the instructions set out in section 4.6; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.4 Payment

By cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "***New Standard Energy Limited***" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than **5:00 pm WST** on the Closing Date.

By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.5 Underwriting

The Offer is fully underwritten by the Underwriter. Refer to Section 8.4 of this Prospectus for details of the terms of the underwriting.

4.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Prospectus. The issue price of each Share to be issued pursuant to the Shortfall Offer is \$0.004 being the price at which Shares have been offered under the Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for additional Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shares using BPAY® (refer to Section 4.4 above).

Persons who wish to participate in the Shortfall who are not Shareholders must complete a Shortfall Application Form provided by the Company or the Underwriter and return it, together with application monies for the value of those Shortfall Shares to the Company.

The Underwriter has absolute discretion when it comes to deciding who will receive the Shortfall Shares, however, the Directors and the Underwriter confirm that they have agreed that Shortfall Shares will be allocated as follows:

- (a) firstly, to existing Shareholders who are not related parties of the Company or the Underwriter, who apply for Shares in excess to their Entitlement;
- (b) secondly, to investors who are not current Shareholders and who are not related parties of the Company or the Underwriter accepted by the Directors in consultation with the Underwriter; and
- (c) lastly, to the Underwriter in satisfaction of their commitment under the Underwriting Agreement.

If the number of Shortfall Shares issued is less than the number applied for, surplus application monies will be refunded in full as soon as practicable after the closing date of the Shortfall Offer. Interest will not be paid on application monies refunded.

The Company notes that no Shares will be issued to an applicant (including the Underwriter) under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company other than the Underwriter.

4.7 Effect on control of the Company

The Underwriter is currently a major Shareholder of the Company and the extent to which Shares are subscribed for under the Offer and subscribed for and allocated under the Shortfall Offer may increase the Underwriters' voting power in the Company.

The Underwriter is an entity controlled by Chairman, Mr Hui Song and is therefore a related party of the Company for the purpose of the Corporations Act.

The Underwriter's present relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that the Underwriter takes up its full entitlement of 45,721,200 Shares under each scenario.

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	91,442,400	19.15%
Completion of Entitlement Issue	137,163,600	19.15%
• Fully subscribed	137,163,600	19.15%
• 75% subscribed	185,434,800	25.88%
• 50% subscribed	233,706,001	32.62%
• 19.15% subscribed (being the Underwriter's Entitlement)	330,248,402	46.10%

The number of shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders, other than the Underwriter, will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriters will reduce by a corresponding amount for the amount of entitlements under the Offer taken up by the other shareholders.

In addition, the Company is offering Eligible Shareholders and investors who are not current Shareholders and who are not related parties of the Company or the Underwriter the chance to apply for additional Shares over and above their Entitlement under the Shortfall Offer. Additional Shares applied for under the Shortfall Offer will reduce the number of Shortfall Shares allocated to the Underwriter. The allocation policy under the Shortfall Offer is set out in section 4.6 above. These steps are implemented by the Company to limit any potential control impact.

Underwriter Intentions

The Underwriter has informed the Company that, if they were to gain effective control of the Company by virtue of the Shortfall Offer, they:

- (a) intend to generally continue the business of the Company. This involves continued exploration and development of the Company's WA assets;
- (b) do not intend to make any major changes to the business of the Company, its financial or dividend distribution policies, nor redeploy any of the fixed assets of the Company;
- (c) other than as disclosed to the market, have no present intention to inject further capital into the Company; and
- (d) intend to continue the employment of the Company's present employees.

The intentions and statements of future conduct set out above must also be read as being subject to the legal obligation of the Directors at the time, including any nominees of the Underwriter, to act in good faith in the best interest of the Company and for proper purposes and to have regard to the interests of Shareholders.

The implementation of the above current intentions will be subject to the law (including the Corporations Act), the ASX Listing Rules and the Company's constitution. In particular, the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest will apply.

The Underwriter will only make a decision on their courses of action in light of material facts and circumstances at the relevant time and after they receive appropriate legal and financial advice on such matters, where required, including in relation to any requirements for Shareholder approval.

The statements above are of current intention only which may change as new information becomes available or circumstances change. The statements should be read in this context.

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33.33% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	2.09%	5,000,000	10,000,000	1.40%
Shareholder 2	5,000,000	1.05%	2,500,000	5,000,000	0.70%
Shareholder 3	1,500,000	0.31%	750,000	1,500,000	0.21%
Shareholder 4	400,000	0.08%	200,000	400,000	0.06%
Shareholder 5	50,000	0.01%	25,000	50,000	0.01%
Total	477,612,003		238,806,002		716,418,005

Notes:

- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.9 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.10 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders or investors with a registered address which is outside Australia or New Zealand ("**Overseas Applicant**").

As at the date of this Prospectus the Overseas Applicants hold an aggregate 22.55% voting power in the Company. As the Underwriter (an Overseas Applicant) currently holds 19.15%, those Overseas Applicants unable to participate in the Offer represent 3.4% of the total voting power in the Company.

Where this Prospectus is received or accessed in any such jurisdiction or by any such person, it is provided for information purposes only.

The distribution of this Prospectus within jurisdictions outside Australia or New Zealand may be restricted by law and persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. It is the responsibility of any Overseas Applicant to ensure compliance with all laws of any country relevant to his or her application, or country of receipt of this Prospectus, and to obtain all necessary approvals so that they may legally subscribe for (and be issued) Shares pursuant to the Offer.

In making an Application, you represent and warrant for the Company's benefit and for the benefit of the Company's officers, employees, agents and advisers (and, to the maximum extent permitted by law, indemnify the Company, and the Company's officers, employees, agents and advisers for any loss or damage caused if such representation or warranty proves to be inaccurate) that there has been no breach of any law by reason of that Application being made, that all necessary approvals and consents to the making of that Application have been obtained and that the Company may legally offer and issue Shares to the Applicant pursuant to this Prospectus. Overseas Applicants must consult with their professional advisors as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for the Shares being offered pursuant to this Prospectus.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.11 Enquiries

Any questions concerning the Offer should be directed to Mr Hua Li, Company Secretary, on +61 8 9481 7477.

For personal use only

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise \$955,224.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Exploration programs	477,612	50.00%
2.	Working capital	366,420	38.36%
3.	Expenses of the Offer ¹	111,192	11.64%
	Total	955,224	100%

Notes:

1. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

- (a) The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:
- (b) increase the cash reserves by \$955,224 (before deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (c) increase the number of Shares on issue from 477,612,003 as at the date of this Prospectus to 716,418,005 Shares.

5.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2016 and the unaudited pro-forma balance sheet as at 30 June 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30
JUNE 2016**

	Note	Consolidated audited 30 Jun 2016 \$		Pro forma adjustments \$	Consolidated Pro forma \$
Current Assets					
Cash and cash equivalents		233,268	A	844,032	1,077,300
Trade and other receivables		28,062		–	28,062
Available-for-sale assets		125,000		–	125,000
Total Current Assets		386,330		844,032	1,230,362
Non-Current Assets					
Available-for-sale assets		152,800		–	152,800
Exploration and evaluation and development expenditure		–		–	–
Property, plant and equipment		147,636		–	147,636
Total Non-Current Assets		300,436		–	300,436
Total Assets		686,766		844,032	1,530,798
Current Liabilities					
Trade and other payables		259,726		–	259,726
Total Current Liabilities		259,726		–	259,726
Non-Current Liabilities					
		–		–	–
Total Liabilities		259,726		–	259,726
Net Assets		427,040		844,032	1,271,072
Equity					
Issued capital	1	67,887,259	A	844,032	68,731,291
Reserves		233,184		–	233,184
(Accumulated losses)		(67,693,403)		–	(67,693,403)
Total Equity		427,040		844,032	1,271,072

Notes:

The unaudited pro forma consolidated statement of financial position has been derived from and adjusted for the following subsequent events and pro forma transactions:

- Entitlement issue to all shareholders on the basis of one (1) new Share for every two (2) Shares held to raise \$955,224 as announced on 30 November 2016. The issue of 238,806,002 Shares at a share issue price of 0.4 cents per share to raise \$955,224 and the payment of expenses of the rights issue offer of approximately \$111,192 to be offset against issued capital (assuming oversubscriptions).

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	477,612,003
Shares offered pursuant to the Offer	238,806,002
Total Shares on issue after completion of the Offer	716,418,005

Options

	Number
Options currently on issue: (Unquoted exercisable at \$0.519 on or before 13/02/2017)	100,000
(Unquoted exercisable at \$0.581 on or before 13/02/17)	100,000
(Unquoted exercisable at \$0.224 on or before 06/04/17)	75,000
(Unquoted exercisable at \$0.248 on or before 06/04/17)	75,000
(Unquoted exercisable at \$0.167 on or before 05/08/17)	500,000
(Unquoted exercisable at \$0.187 on or before 05/08/17)	500,000
New Options offered pursuant to the Offer	Nil.
Total Options on issue after completion of the Offer	1,350,000

Performance Rights

	Number
Unquoted Performance Rights on issue	7,860,000
New Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	7,860,000

Retention Rights

	Number
Unquoted Retention Rights on issue	890,000
New Retention Rights offered pursuant to the Offer	Nil
Total Retention Rights on issue after completion of the Offer	890,000

The capital structure on a fully diluted basis as at the date of this Prospectus would be 478,962,003 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 717,768,005 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Details of substantial holders

Based on publicly available information as at 30 November 2016, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd ¹	91,442,400	19.15%
Jara Resources Pty Ltd	65,650,000	13.75%

Notes:

1. China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd is an entity controlled by Chairman, Mr Hui Song.
2. Jara Resources Pty Ltd is an entity controlled by Director, Mr Ning Han.

As the Underwriter is currently a major Shareholder of the Company, the extent to which Shares are subscribed for under the Offer and subscribed for and allocated under the Shortfall Offer may increase the Underwriters' voting power in the Company beyond 19.15%. For further details on the potential effects of underwriting to the Offer refer to section 4.7 of this Prospectus.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

6.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

6.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

6.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

6.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus should be considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 477,612,003 Shares currently on issue to 716,418,005 Shares. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.004 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Retention of Assets

The Company is currently involved in detailed discussions with the Department of Mines and Petroleum (DMP) around rationalising its Western Australian permits, agreeing new work programs for the permits that the Company plans to retain and discussing the rehabilitation requirements. The Company's current intention is to either relinquish or let expire 2 of its permits and seek revisions to the existing work commitments for the retained permits. Although discussions around permit retention and associated work program revisions have been very positive to date, the outcome is dependent upon current legislation and rules and the DMP's application of the same. There is no guarantee at this time that the Company will be successful in either retaining all of the acreage it plans to keep or reaching agreement on new work programs with the DMP.

(c) Funding of Exploration Program

As announced on 24 November 2015, the Company has a binding agreement with Huizhou Energy Investment (Beijing) Co. Ltd, for Huizhou to use its best endeavours to assist the Company to secure a farm-in partner to fund the proposed work program in return for an equity position in the Company's assets. However, if the Company is not successful in achieving this, or in negotiating acceptable commercial terms, then the agreed work program may not be achievable and this may put retention of the Company's assets at risk.

(d) Exploration and Operations

The Company is operating in a very remote environment that is subject to extreme weather conditions for most of the year and very limited infrastructure, including lack of basic access for vehicles and aircraft. Negotiations with traditional land-owners and other land owners are complex and challenging and take considerable time and resources. Environmental protestors

also pose a significant risk. These matters create uncertainty on time lines and cost before exploration even begins.

The operations of the Company may be affected by various factors, including failure to locate or identify oil and gas reserves, failure to achieve predicted well production flow rates, operational and technical difficulties encountered in production, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated reservoir problems which may affect field production performance, adverse weather conditions, industrial and environmental accidents, access to suitable water and power, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through successful exploration and/or production.

(e) **Commercialisation**

Even if the Company discovers potentially commercial quantities of oil and gas, there is no guarantee that the Company will be able to successfully recover and/or transport the oil and gas to commercially viable markets or sell the oil and gas to customers to achieve a commercial return.

(f) **Contractual risk**

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

(g) **Regulatory risk**

The Company is exposed to changes in regulations or legislation, currently unforeseen, which may restrict or limit in any way access and rights to conduct exploration activities and/or develop the assets through to production on the Company's permits.

7.3 Industry specific

(a) **Oil & gas exploration**

The prospects in which the Company has an interest are at various stages of pre-exploration due diligence, exploration or production, and potential investors should understand that exploration and development are high-risk undertakings.

Exploration of the prospects is also subject to multiple approvals from government bodies, Native Title agreements, agreements with traditional owners and pastoralists and extensive communication with communities and other stakeholders. There is exposure to unexpected changes in regulations and legislation. There is also exposure to activities of non-government organisations and environmental groups which have caused considerable disruption to operations in the areas in which the Company will be operating.

Oil and gas exploration is a high risk, highly speculative activity that requires a large amount of expenditure over extended periods of time. There is no guarantee that exploration that is undertaken will result in commercial discoveries nor that the funding for any such future activities will be available as required.

Technical conclusions during exploration, appraisal and production are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of

geological, geophysical, drilling and other data and may continue to exist beyond the expiration of the tenure associated with any particular exploration permit.

(b) **Abandonment and Rehabilitation**

The Company may be exposed to both current and future liabilities associated with decisions around abandonment of exploration and/or production wells and environmental rehabilitation as part of its ongoing exploration and development efforts. The Company is currently working with DMP to determine its environmental rehabilitation liability in relation to historical exploration activities. An adverse finding in relation to the Company's environmental rehabilitation liability may bear a cost, which although currently indeterminable, may adversely affect the Company's operations. All existing exposure is, and future exposure will be, managed accordingly as part of the Company's exploration and development programs.

(c) **Oil & gas reserves and commercial flow**

Oil and gas reserves are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may change significantly when new information, pricing regimes or techniques becomes available. In addition, by their nature, oil and gas reserves are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and commercial flow plans which may, in turn, either benefit or adversely affect the Company's operations.

(d) **Oil and gas volatility and exchange rates**

If the Company achieves success leading to oil and gas production, the revenue it will derive through the sale of oil and gas exposes the potential income of the Company to oil and gas price and exchange rate risks. Oil and gas prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.

(e) **Environmental**

The operations and proposed activities of the Company will be subject to Australian laws and regulations concerning the environment. As with most exploration projects and production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;

- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors (particularly oil and gas and exploration more generally);
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource and energy exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Additional requirements for capital**

The Company operates in a capital intensive industry and the Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
23/09/16	Annual Report 2016
23/09/16	Appendix 4G - Corporate Governance Disclosures
23/09/2016	Resignation of Director
20/10/2016	Notice of Annual General Meeting
28/10/2016	Quarterly Cashflow Report
28/10/2016	Quarterly Activities Report
28/11/2016	Results of AGM

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.newstandard.com.au.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.007	19 – 20 September 2016
Lowest	\$0.004	12 September, 27 October, 23 – 28 November 2016
Last	0.004	29 November 2016

8.4 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to conditionally underwrite the Offer for 238,806,002 Shares (**Underwritten Shares**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 4% of the value of the Underwritten Shares.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Entitlement Issue Prospectus:** any of the following occurs in relation to the Entitlement Issue Prospectus:
 - (i) it is not lodged with ASIC by the Lodgement Date (or such later date agreed in writing by the Underwriter); or
 - (ii) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
- (b) **Supplementary Prospectus:** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriter;

- (c) **ASX listing:** ASX does not give approval for the Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (d) **Index changes:** the All Ordinaries Index or the S&P/ASX Small Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement is 20% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (e) **indictable offence:** a director of the Company or any Related Body Corporate (as defined in the Corporations Act) (**Related Corporation**) is charged with an indictable offence;
- (f) **return of capital or financial assistance:** the Company or a Related Corporation takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
- (g) **banking facilities:** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- (h) **alteration of capital structure or constitution:** except as described in the Entitlement Issue Prospectus, the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;
- (i) **extended Force Majeure:** a Force Majeure which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (j) **default:** the Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement (in any material respect);
- (k) **adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Corporation);
- (l) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Corporation;
- (m) **Prescribed Occurrence:** a Prescribed Occurrence (as defined in the Underwriting Agreement) occurs, other than as disclosed in the Entitlement Issue Prospectus;
- (n) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (o) **Event of Insolvency:** an Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of a Related Corporation;
- (p) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of the Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (q) **Judgment against a Related Corporation:** a judgment in an amount exceeding \$250,000 is obtained against the Company or a Related Corporation and is not set aside or satisfied within 7 days;
- (r) **Material Adverse Effect:** an event occurs which, in the reasonable opinion of the Underwriter reached in good faith, has:
 - (i) a material adverse effect on the outcome of the Entitlement Issue; or

- (ii) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries taken as a whole.

Pursuant to the terms of the Underwriting Agreement, the Shortfall Shares must not be issued to a related party of the Company as defined in Section 228 of the Corporations Act, other than the Underwriter, and the Underwriter must ensure that no person, other than itself will acquire, through the issue of Shortfall Shares, a holding of Shares, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Entitlement Issue.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Performance Rights	Retention Rights	Entitlement
Ning Han	65,650,000 ¹	Nil	Nil	Nil	32,825,000
Hui Song	91,442,400 ²	Nil	Nil	Nil	45,721,200
Dongbo Zhang	Nil	Nil	Nil	Nil	Nil
Hua Li	Nil	Nil	Nil	Nil	Nil
Xiaofeng Liu	Nil	Nil	Nil	Nil	Nil

Notes:

1. 65,650,000 Shares are held by current substantial shareholder Jara Resources Pty Ltd, an entity controlled by Mr Ning Han.
2. 91,442,400 Shares are held by the Underwriter, an entity controlled by Mr Hui Song.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	FY 2017 (proposed)	FY 2016	FY 2015
Hui Song	Nil	Nil	Nil
Hua Li	\$65,000	Nil	Nil
Ning Han	Nil	Nil	Nil
Xiaofeng Liu	Nil	Nil	Nil
Dongbo Zhang	Nil	Nil	Nil

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or

- (h) the Offer.

China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd will be paid an underwriting fee of approximately \$38,209 (being 4% of the total amount underwritten by the Underwriter) in respect of this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Huizhou Energy Investment (Beijing) Co., Ltd has not been paid any fees by the Company.

BDO Audit (WA) Pty Ltd has acted as the auditor to the Company. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Audit (WA) Pty Ltd has been paid fees totalling \$113,600 (excluding GST and disbursements) for these services provided to the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$47,168 (excluding GST and disbursements) for legal services provided to the Company.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;
- (c) China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named;
- (d) China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 91,442,400 Shares. China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd has indicated that it is its current intention to subscribe for its full Entitlement under the Offer in respect of all of the Shares in which it has a relevant interest; and
- (e) BDO Audit (WA) Pty Ltd has given its written consent to being named as the auditor to the Company in this Prospectus. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.
- (f) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$111,192 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,350
ASX fees	5,059
Underwriting fees	38,209
Legal fees	10,000
Printing and distribution	10,000
Miscellaneous	45,574
Total	111,192

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9481 7477 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.newstandard.com.au>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

For personal use only

9. **DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Mr Hui Song
Chairman
For and on behalf of
New Standard Energy Limited

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10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules means the listing rules of the ASX.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means New Standard Energy Limited (ACN 119 323 385).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.6 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Underwriter means China International Economic Hui Zhou Energy Investment (Beijing) Co., Ltd (a company incorporated in China).

WST means Western Standard Time as observed in Perth, Western Australia.

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