



NEW STANDARD
ENERGY

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BOARD OF DIRECTORS:

Ian Paton

Chairman

Sam Willis

Managing Director

Mark Hagan

Technical Director

Mark Clements

Company Secretary

ISSUED CAPITAL

141,543,010 Shares

37,300,000 Unlisted Options

MARKET CAPITALISATION

\$29.73m

(last @ \$0.21c per share)

CASH ON HAND

at 31.03.10

\$4.26m

INVESTMENT IN BURU

\$5.76m (@ 32c per share)

Quarterly Activities Report

January to March 2010

HIGHLIGHTS

Corporate Activities

- 36% working interest in additional Wilcox prospects successfully acquired
- Additional drilling inventory of sizeable Wilcox prospects secured for future drilling

Australian Exploration

- Detailed review of retained acreage and assessment of unconventional hydrocarbon potential significantly advanced
- Lawford 1 re-entry being finalised
- Permit management process with DMP almost concluded
- Additional acreage opportunities under consideration

United States Exploration

- US exploration program commences
- Brasher #1 well drilled—successful Yegua discovery announced
- Brasher #1 well successfully flow tested and tied into gas sales network
- Heintschel #1 well drilled—successful Wilcox discovery announced
- Heintschel #1 well awaiting fracking, flow testing and completion
- Moeller #1 well prepared for imminent spud—very large Wilcox prospect

CORPORATE ACTIVITIES

Early in the quarter New Standard Energy Ltd (**New Standard; ASX: NSE**) executed and settled agreements to acquire a 36% working interest in two additional projects in onshore Texas, USA. These projects are located in Colorado County and Wharton County, Texas and add highly attractive and ready to drill Wilcox prospects with the potential for each project to produce well over 100bcfe from the Wilcox.

Both of the new projects encompass very large Wilcox prospects and fall squarely within the core of New Standard's primary focus in the prolific Wilcox reservoir sands. New Standard's corporate and exploration strategy in the United States continues to identify and secure opportunities that present meaningful equity positions in large targets with low associated exploration costs. These factors combine to create a compelling address for active oil and gas explorers particularly given the targets are substantial and the path to cash flow on drilling success is short.

New Standard holds a 36% Working Interest (**WI**) in both of these new projects, alongside its existing partners in the Colorado County Project, with the remaining equity in both projects held by Burleson Energy Limited (**BUR: 36% WI**) and AKG Energy (**AKG: 28% WI; Operator**).



AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES

At 31 March 2010, New Standard had a direct interest in total retained acreage of approximately 53,000km² in the Canning Basin including 100% operated interests in EP443, 450, 451, 456 as well as a 65% operated interest in EP417. New Standard is very close to finalising discussions with the West Australian Department of Mines and Petroleum (DMP) to resolve permit title and management issues in relation to the abovementioned permits. Discussions have centred around permit year 2 suspension and extension requests, proposed work program variations and partial relinquishment of acreage based on a review of geological prospectivity and New Standard is confident of a positive outcome for all parties in relation to the requests that have been put forward.

EP417 (New Standard 65% operated; Buru 35%)

No on ground exploration work was undertaken on EP417 during the quarter, pending finalisation of the administrative issues with the DMP.

New Standard was advised by the DMP during the quarter that all registrations and dealings on EP417 as well as the transfers of interest of title have been processed and completed during the quarter. This paves the way for the application for renewal of the EP417 permit to be processed and approved.

As part of the renewal application commitment has been made to revisiting Lawford 1 (500bcf target) for completion in 2010. New Standard is currently finalising discussions with various contractors regarding rig and camp availability and formulating plans to revisit Lawford 1 in either Q3 or Q4 of the 2010 calendar year. The ability to undertake the remainder of the program at Lawford 1 is dependent upon suitable rig and camp availability on commercially acceptable terms and also upon discussions with joint venture partner Buru Energy Ltd (Buru). New Standard is currently finalising the Lawford #1 re-entry plans and hopes to have an AFE for presentation to the joint venture during the coming quarter.

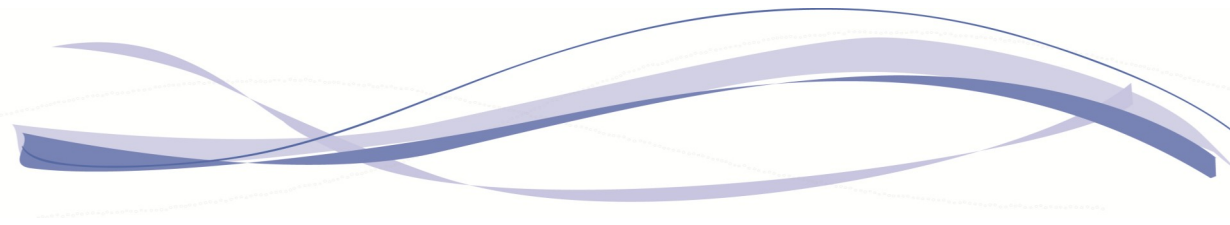
A site visit has recently been undertaken by New Standard to confirm the status of the access tracks into the Lawford #1 drill site. Feedback is that the seasonal weather has not impacted either the access tracks or the drill site and a small amount of preparatory work ahead of the planned drilling should be sufficient to ensure the roads are well prepared for ingress and egress of equipment and contractors.

Once an AFE has been submitted to the joint venture and approved an application to drill will be made to the DMP. Further information will be provided in due course.

EP's 443, 450, 451 and 456 (New Standard 100% operated)

No on ground exploration work was undertaken on these permits during the quarter.

New Standard has made application for suspension and extension (S&E) of permit year 2 work commitments for EP's 450, 451 and 456 alongside as request for work program variations to better align the exploration interests of New Standard with its work commitments. New Standard briefed the DMP during the quarter in relation to its intentions regarding EP's 450, 451 and 456 and has sought work program variations and concurrence in relation to proposed partial relinquishment of acreage based on a review of permit prospectivity. New Standard anticipates a response to the request for work program variations in the near future along with concurrence from the DMP in relation to proposed acreage relinquishment and associated approvals of the various S&E requests. It is anticipated that a successful outcome will be achieved providing a beneficial result for parties concerned.



Shale Gas - Goldwyer Shale, Canning Basin (NSE 100%)

New Standard has been working on the various alternatives available to extract maximum shareholder value from the very large acreage holding it possesses in the Canning Basin. A substantial portion of these reviews have focused on the unconventional hydrocarbon potential, particularly shale gas, across its 100% equity holding of in excess of 35,000km² representing more than 9 million net acres.

As previously announced to the market New Standard's Canning Basin acreage is vastly under explored but very large and well positioned in the postulated mature gas window of the Goldwyer shale (see below).

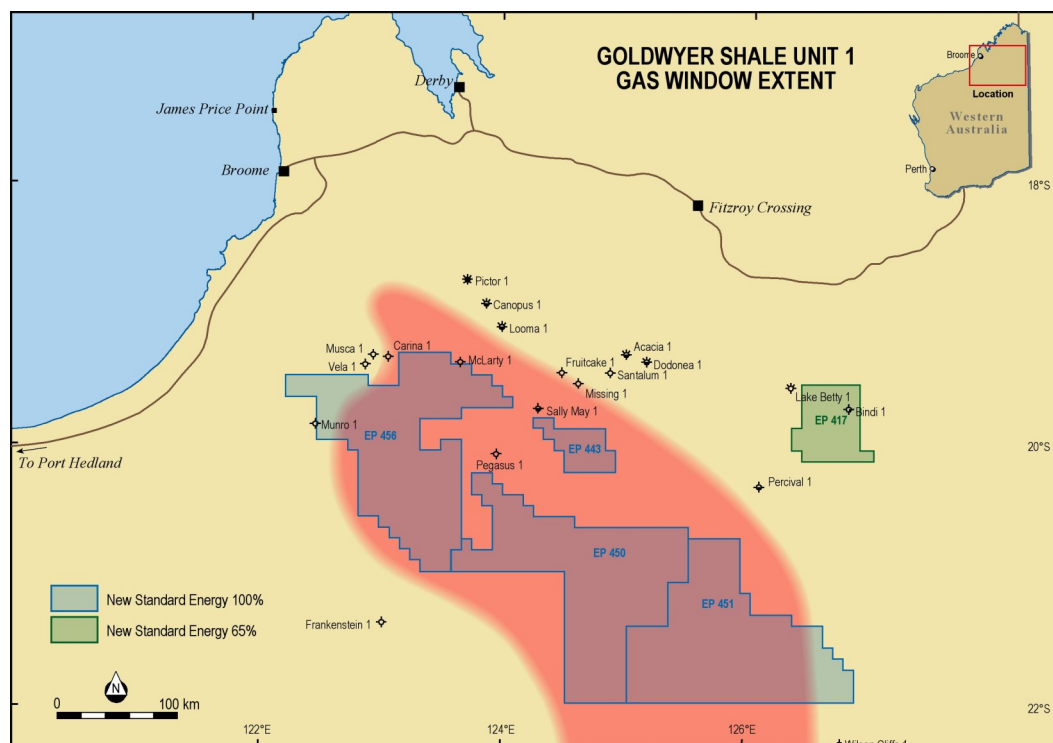


Figure 1: New Standard's Canning Basin acreage well positioned in the Goldwyer unit 1 gas window

New Standard's acreage has the potential to host a significant resource of onshore shale gas given the majority of the acreage is draped in the Goldwyer shale. It is, however, clearly an early stage project with more work required to understand the quality of the opportunity. Based on internal reviews of the limited data available, the Goldwyer appears to have the following properties that are attractive for shale gas potential:

- blanket marine shale of Ordovician age
- black to dark grey shales and claystones with inter-bedded silty intervals
- 4 distinct units with total thickness of between 200m and 500m
- depths to top of the Goldwyer range from 1,000m to 3,000m
- appropriate maturity, TOC levels and free gas

The prospectivity of shale gas resources within the Goldwyer shale has been studied and investigated internally for over 12 months based on the limited amount of specific shale gas data available to New Standard. As previously advised in early 2010 New Standard engaged Netherland Sewell and Associates (NSAI), an internationally recognised independent technical group with extensive experience in delineating and developing unconventional gas reservoirs (particularly shale gas), to provide an independent review of the opportunity in the Goldwyer shale.

AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES (cont'd)

The purpose of the NSAI review is two-fold:

- firstly to provide an independent review of the prospectivity of the Goldwyer shale as a potential shale gas resource of substantial size; and
- to assist New Standard develop and implement an appropriate work program to advance the opportunity.

Good progress on this review involving the analysis of relevant data was made during the quarter and the review is expected to be finalised in early May. Given the quality and amount of the data involved and the early stage nature of the shale gas play in the Canning it is anticipated this review will be relatively high level but provide sufficient encouragement to warrant accelerating the shale gas project as an opportunity with attractive potential.

New Standard continued to make good progress on identifying and technically assessing additional shale gas acreage during the quarter and further updates will be provided in the event additional opportunities are added to the shale gas portfolio.

UNITED STATES EXPLORATION PORTFOLIO & ACTIVITIES

Colorado County Project, Texas USA (New Standard 32.5% working interest)

The Brasher #1 well was spudded on 12 February and reached TD at 5,000 feet. The well was logged and a 14 foot gas discovery was identified in the primary Yegua reservoir. The well was successfully completed and flow tested at 380mcf/day before being tied into the gas sales network during April.

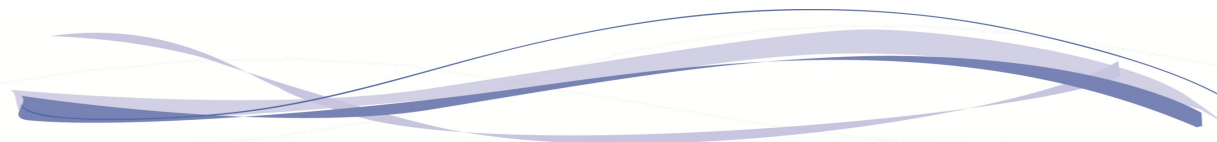
The first Wilcox well in the current program, the Heintschel #1, was spudded on 6 April and reached TD at 11,800 feet. The target objective in the Wilcox reservoir was encountered over significantly larger intervals than originally anticipated and produced multiple extensive hydrocarbon shows which occurred during fast drilling breaks, and resulted in gas-cut mud weights, gas to the surface, condensate in the mud, and included pressures higher than anticipated.

Following reaching TD the Heintschel #1 well was logged and percussion side wall core samples were taken which revealed a hydrocarbon column had been intersected over 225 feet, including 135 feet of gross gas saturated sands. This interval was significantly larger than the anticipated 85 feet of vertical relief on which the original 7bcf and 100,000 barrel target was based.

The presence of a hydrocarbon column greater than the structural closure indicates that the prospect drilled at the Heintschel #1 well is a structural-stratigraphic trap. As advised by the operators, AKG Energy, until further mapping of the prospect is undertaken and the well has been fraced, flow tested and further appraisal drilling is undertaken it is premature to provide a potential resource position of the Heintschel prospect. An indication regarding potential upside has, however, already been provided by BUR in its release of 6 April which pointed to potential for approximately 30 bcfe.

Based on the interpretation of the logs and side wall cores a recommendation was made by the operator to complete the well which New Standard supported. As a result the Heintschel #1 well has been cased and cemented and is awaiting fracing and flow testing. Due to the current high levels of demand for fracing equipment the Heintschel #1 is scheduled for fracing and flow testing in June 2010.

The rig is now preparing to move to the next Wilcox well called the Moeller #1. This is a 12,500 foot test of the Wilcox sands and AKG Energy has advised it has potential for 100bcf of gas and 2.4 million barrels of condensate as a most likely recoverable amount of hydrocarbons. It is currently anticipated the Moeller #1 will spud in early May and take around 3-4 weeks to drill to TD. New Standard has a slightly higher 36% interest in this well.



UNITED STATES EXPLORATION PORTFOLIO & ACTIVITIES (cont'd)

The commencement of the US drilling program at the Colorado County Project is the culmination of an enormous effort over the past 12 months. During the past 12 months New Standard has successfully:

- identified and negotiated a 32.5% working interest in the project,
- acquired and interpreted brand new 3D seismic data,
- delineated a large number of attractive drill prospects,
- secured a dominant land position covering the bulk of the prospects; and
- commenced an initial six well drilling program with 2 discoveries from the first 2 wells.

The successful discovery and subsequent completion of the Brasher #1 well provided a complete validation of the commercial rationale behind the decision for New Standard to explore in the US. The Brasher #1 is now tied into production and generating revenue for New Standard and marks an important milestone in New Standard's evolution into a producer. The subsequent discovery at the Heintschel #1 well is substantially larger than anticipated and assuming successful fracturing and flow testing, should provide a significant income stream for New Standard.

The table below illustrates the drilling program, highlighting the discoveries at Brasher #1 and Heintschel #1 and the potential size of the Moeller #1 well that is due for imminent spud:

Month or Status	Well Name	Reservoir	Depth (feet)	Total Cost D&C	Potential Gas (bcf)	Potential Oil (mb)	Typical Flow Rates per day	Working Interest
Discovery	Brasher #1	Yegua	5,000	0.6m	1.4	-	380mcf/day flow tested	32.5%
Discovery	Heintschel #1	Wilcox	11,500	2.5m	7.2	100	Strong shows, 225' hydrocarbon column	32.5%
May 2010	Moeller #1	Wilcox	12,500	2.9m	100+	2,400	3mmcf and 200bopd	36.0%
May 2010	W3	Wilcox	11,500	2.5m	7.2	210	3mmcf and 200bopd	32.5%
Jul 2010	W4	Wilcox	11,500	2.5m	11.4	333	3mmcf and 200bopd	32.5%
2H 2010	E1	Edwards	20,750	13.0m+	600+	-	6-15mmcf	32.5% ⁽¹⁾

1. New Standard is likely to farm-out part of its interest in the E1 well due to well size and cost

2. Larger targets are likely to require multiple wells to develop if successful discoveries are made

OTHER OPPORTUNITIES

New Standard continues to assess opportunities that are outside the current portfolio but of interest due to pricing, the size and nature of the opportunity or because they fall within the core technical expertise of the New Standard technical team. The Canning Basin remains a core holding within the portfolio - both in terms of direct acreage ownership and indirectly through the 10% strategic shareholding in Buru. This focus has been supplemented by the lower risk entry into the Colorado County and Wharton County Projects in Texas that provide the potential to access short term cashflow as well as providing significant upside through larger targets. New Standard will continue to assess other opportunities in a focused manner on the basis that they have the potential to contribute to creating shareholder wealth over time.

Competent Person: The information in this announcement in relation to the Colorado County Project 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.