

Quarterly Activities Report

For the period ended 30 September 2016



NEW STANDARD
ENERGY

Date: 28 October 2016

SUMMARY

- New Standard Energy Limited (**New Standard**) appointed Mr Song as Non-Executive Chairman and Mr Li as Managing Director following the resignations of Mr Dixon and Mr Thick
- The Directors continued working closely with major shareholder, Huizhou Energy, to finalise the previously announced fully underwritten rights issue
- The Board implemented a strategy to diversify the Company's project portfolio via the assessment of new opportunities whilst maintaining, so far as is possible, its Western Australian exploration assets.
- The Managing Director and Management met with the Department of Mines and Petroleum to understand and plan for maintaining the current tenements, rehabilitation of the Company's historic tenements in compliance with its statutory, social and environmental obligations
- The Annual Report and Notice of Annual General Meeting was lodged with ASX and sent to shareholders
- Costs were further reduced and all Director fees remain suspended

COMPANY OVERVIEW

PROJECTS

New Standard continues to hold 100% of EP 481 and EP 482 in the onshore Carnarvon Basin and EP 450 and EP 456 in the Canning Basin in Western Australia.

The Company is determined to continue exploration activities on the permits and has commenced dialogue with the Department of Mines and Petroleum (**DMP**) to settle on a new work program. New Standard is hopeful a new work plan can be settled with DMP during the current Quarter.

Exploration permits EP 450 and EP 456 in the Canning Basin are due to expire on 31 December 2016 and the Company is not anticipating renewal of these permits. New Standard has also requested the DMP withdraw from processing four exploration permit applications previously lodged by the Company in the Canning Basin.

An assessment of the Company's rehabilitation obligations and associated costs with respect to its historic drilling activities is in progress and part of a continuing dialogue with the DMP.

CORPORATE UPDATE

On 12 September 2016 Mr Song was appointed Non-Executive Chairman and Mr Li was appointed Managing Director following the resignations of Mr Dixon and Mr Thick during the Quarter.

New Standard and Huizhou Energy continue working towards completing the previously announced fully underwritten \$1 million rights issue. It is anticipated that all Chinese government approvals to allow Huizhou Energy to meet its contractual underwriting obligations will be obtained imminently enabling the rights issue to be completed in November 2016.

During the quarter, New Standard reviewed a number of opportunities for the Company to grow, both in the energy sector and in other sectors. The Board continues to actively pursue and review all opportunities in an attempt to restore value for all shareholders. The Board welcomes written approaches from owners of significant energy projects that may be complimentary to New Standard's existing portfolio with a view to working together to advance those projects.

New standard ended the quarter with a cash position of approximately \$46,000 and approximately \$500,000 worth of shares in ASX listed Sundance Energy Australia Ltd (ASX: SEA). The rights issue will raise a further \$1 million in November 2016.

Costs continue to be reduced and all directors' fees remain suspended.

During the quarter 4,500,000 unlisted performance rights and 725,000 unlisted retention rights lapsed without being exercised.

For and on behalf of the Board.

Bruce Li
Managing Director

- ENDS -

TENEMENT STATUS FOR 1ST QUARTER 2016/2017

The Group tenements are held in New Standard Onshore Pty Ltd.

Tenement number	Interest held during the quarter		Note
	Start	End	
<i>Location: Canning Basin, WA</i>			
EP450	100%	100%	
EP456	100%	100%	
<i>Location: Carnarvon Basin, WA</i>			
EP481	100%	100%	
EP 482	100%	100%	

TENEMENTS UNDER APPLICATION

Tenement number	Interest held during the quarter		Note
	Start	End	
<i>Location: Canning Basin, WA</i>			
STP-EPA-0006	0%	0%	1
STP-EPA-0007	0%	0%	1
STP-EPA-0010	0%	0%	1
STP-EPA-0092	0%	0%	1

¹ New Standard withdrew the applications on 18 October 2016. The withdrawals are yet to be processed by the Department of Mines and Petroleum.