

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

NEW STANDARD ENERGY LIMITED (FORMERLY HAWK RESOURCES LTD)

ABN

20 119 323 385

Quarter ended ("current quarter")

30 SEPTEMBER 2008

Consolidated statement of cash flows

	Current quarter	Year to date (3 months)
Cash flows related to operating activities	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(2,188)	(2,188)
(b) development	-	-
(c) production	-	-
(d) administration	(227)	(227)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	150	150
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	23	23
Net Operating Cash Flows	(2,242)	(2,242)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(73)	(73)
1.9 Proceeds from sale of:		
(a) prospects	75	75
(b) equity investments (net)	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Cash acquired from controlling entity)	3,457	3,457
Net investing cash flows	3,459	3,459
1.13 Total operating and investing cash flows (carried forward)	1,217	1,217

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1.13	Total operating and investing cash flows (brought forward)	1,217	1,217
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	7,500	7,500
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(721)	(721)
Net financing cash flows		6,779	6,779
Net increase (decrease) in cash held		7,996	7,996
1.20	Cash at beginning of quarter/year to date	1,716	1,716
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	9,712	9,712

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	140
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amounts included in 1.23 include director's fees (\$2k) and consulting services (\$138k) provided by current and former executive directors.

During the period, the Company issued 37,500,000 shares at an issue price of 20 cents each to raise \$ \$7.50m (\$6.78m after capital raising costs of \$0.72m). The net funds raised are being used for drilling, seismic and project generation in relation to NSE's Canning Basin oil and gas projects, and general working capital (as set out in the Company's prospectus dated 17 June 2008).

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 28 July 2008, New Standard Energy Limited (NSE) merged with Hawk Resources Limited (Hawk) following the issue of 70,405,508 Hawk shares to NSE shareholders and the issue of 6,750,000 unlisted options at 22.5 cents, expiring 30 June 2012 and 6,750,000 unlisted options at 27.5 cents, expiring 30 June 2012 to directors and 1,000,000 unlisted options at 20 cents, expiring 30 June 2012 to the promoters of the transaction.

Included at 1.12 is the cash acquired following the acquisition of Hawk by the Company.

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

On 27 August 2008, NSE entered into a farm-in agreement with Buru Energy Limited (ASX: BRU) in relation to EP 417 in which Buru has been assigned 35% participating interest in EP 417 in return for committing to fund 35% of the costs of drilling Lanagan 1 and Lawford 1 exploration wells. Included at 1.9 is the sum of \$75,000 paid by Buru which satisfies the previous expenditure on EP417 in relation to the Buru interest. Further details of this agreement are outlined in the Company's announcement dated 27 August 2008.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,000
4.2 Development	Nil
Total	3,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,712	700
5.2 Deposits at call	5,000	1,016
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	9,712	1,716

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EP417 Buru Energy Limited (ASX: BRU) (35%). NSE has also granted Buru the option to increase its equity interest by a further 15%. Further details are outlined in the announcement dated 27 August 2008	100%	65%
6.2	Interests in mining tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	N/A			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	141,503,010	141,503,010		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	107,905,509 -	107,905,509 -	20 cents -	20 cents -
7.5 +Convertible debt securities <i>(description)</i>	N/A			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		10,600,000	-	Options at 30c	14 May 2010
		3,000,000	-	Options at 20c	14 May 2010
		50,000	-	Options at 35c	31 Dec 2010
		50,000	-	Options at 50c	31 Dec 2010
		100,000	-	Options at 75c	31 Dec 2010
		1,000,000	-	Options at 20c	30 June 2012
		6,750,000	-	Options at 22.5c	30 June 2012
		6,750,000	-	Options at 27.5c	30 June 2012
7.8	Issued during quarter	1,000,000	-	Options at 20c	30 June 2012
		6,750,000	-	Options at 22.5c	30 June 2012
		6,750,000	-	Options at 27.5c	30 June 2012
7.9	Exercised during quarter	-			
7.10	Expired during quarter	-			
7.11	Debentures <i>(totals only)</i>	N/A			
7.12	Unsecured notes <i>(totals only)</i>	N/A			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Mark Clements
Company Secretary
31 October 2008

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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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