ASX Announcement (ASX: NSE) (OTCQX: NWSTF)

Quarterly Activities Report

For the period ended 31 March 2015

Date: 30 April 2015

Summary

Atascosa Project, Texas, US

- Production for the quarter averaged 250 barrels of oil equivalent per day (**Boepd**) across seven producing wells.
- Ongoing capital management and hedging program limited impact of decline in global oil prices on revenue
    - Put options cover 80 per cent of current production until November 2016 and provide a weighted average minimum price of US$78/barrel.
- Renegotiated leases and restructured retention commitments to defer operations and additional expenditure.

Corporate

- Secured an additional US$3 million from existing debt facility with Credit Suisse to provide working capital for the Company, of which US$1.5m was drawn as at 31 March 2015.
- Cash position of A$2.8 million at 31 March 2015.

Overview

New Standard continued to investigate various funding options and opportunities for the ongoing development and management of its assets and drilling program. Additional and substantial cuts to costs and overheads were made during the quarter as the Company continued to actively pursue a range of initiatives for ongoing funding including partnerships, joint ventures, farm-ins and asset sales or swaps.

Negotiations on a number of potential alternatives, both at the corporate level and the asset level, have been underway for some time and are continuing, but have yet to reach a stage where they are sufficiently finalised to warrant any disclosure. New Standard will provide an update to shareholders when any material developments occur.

Importantly, New Standard has continued to receive support from the provider of its enhanced debt facility, Credit Suisse, whilst the various corporate and asset level alternatives are being pursued. Indicative of this support, the Company's lenders provided access to an additional US$3 million during the quarter as part of New Standard's enhanced debt facility to provide working capital while the Company progresses discussions on potential transactions and opportunities.

Portfolio and activities overview

Atascosa Project, Eagle Ford, Texas, USA

The Company's Atascosa Project has continued to be the focus of its operational activity during the quarter.

As previously advised, in response to the decline in global oil prices, hydraulic fracturing operations have been deferred on both the Peeler-7H and the Lagunillas-3H wells that were drilled in late 2014. The Company has continued to look closely at all opportunities to reduce or defer capital expenditure in the current low oil price environment.

New Standard has been working closely with land owners. During the quarter it reached agreement with the owners of the Eppright lease to extend that lease for twelve months through until March 2016. This secures the Company's tenure while pushing back all drilling commitments into 2016 including the requirement to frac the Lagunillas-3H well. This extension was finalised and executed after the close of the quarter.

Hydraulic fracturing and completion costs for wells have fallen dramatically over recent months and continue to fall, with reductions as much as 25-40 per cent, and the Company expects to take advantage of these reductions when it plans to resume its program later this year.

Production during the quarter has been impacted by mechanical and pump issues, particularly at the Peeler Ranch-5H well. New Standard is currently in the process of rectifying those issues.

PEL 570 Project, Cooper Basin, South Australia

During the quarter the Joint Venture (**JV**) between New Standard, Drillsearch and Santos (Operator) officially commenced. Santos considers the PEL 570 program to be one of the key elements in targeting the sweet spots across three unconventional plays in the Cooper Basin. The JV considers PEL 570 in the Patchawarra Trough to be a condensate-rich deep coal play and plans to drill the first dedicated deep coal well, with approximately five hydraulic fracture stimulation stages, during the next twelve months. A 3-D seismic program is also planned during the coming year.

Western Australian Projects

The Western Australian portfolio had minimal work conducted on it during the period with the primary focus on ensuring the permits were kept in good standing and work commitments managed accordingly. The Company has been pursuing the farm out or partial sell down of the Western Australian assets during the period in conjunction with Miro Advisors and this work continues.

Corporate and financial review

Financial position

The Company ended the quarter with a cash position of approximately A$2.8 million. Sales revenue net of royalties from the US operations for the quarter was A$1.1 million. At the end of March the Company had drawn an additional US$1.5 million from the US$3 million extension to its enhanced debt facility with Credit Suisse.

The Company continues to prudently look at all options and opportunities to develop and manage its program and assets, particularly in the current challenging global environment, including discussions around partnerships, JV's and asset acquisitions, sales or swaps.

The ongoing support provided by Credit Suisse through the facility extension during the quarter continues to provide essential working capital for the business whilst the various transactional opportunities being pursued are fully assessed.

Corporately, New Standard has continued to aggressively manage administration costs in 2015 by cutting its workforce to a total of just four employees across Australia and the United States. The Company's directors have also agreed to suspend all directors' fees until market conditions improve and the Managing Director has agreed to reduce his salary by 50 per cent in line with these changes.

The financial impact of the various administration and overhead reductions made during the quarter will be more clearly evident in future quarterly reporting.

Non-Executive Directors Chris Sadler and Greg Channon offered their resignations from the Board to focus on other business activities, both of which were accepted by the Board.

- ENDS -

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About New Standard: New Standard Energy is an onshore hydrocarbon producer, developer and explorer with a commitment to develop and realise the oil and gas potential of the most prospective shale and tight gas basins across the US and Australia.

The Company's exploration and production program is active and extensive. It is underpinned and complemented by targeted corporate activity to take advantage of opportunities and to build an extensive pipeline of prospective projects. New Standard's Board has substantial technical and commercial experience in the oil and gas sector.

The Company operates in four primary basins: Eagle Ford, Texas, USA; Cooper, South Australia; and the Canning and Carnarvon, Western Australia.

The Eagle Ford acreage is a development and production project. It contains seven existing production wells, in the oil window of the Eagle Ford shale, which are currently producing and generating revenue that provides monthly cash flow to the Company. New Standard is currently drilling and evaluating additional wells.

The Cooper Basin Project is later stage exploration and development, to take advantage of existing infrastructure and the domestic and export opportunities available in the Australian East Coast gas market.

The Canning and Carnarvon Projects are frontier basins, providing New Standard's investors with exposure to high risk, high reward exploration.

Texas, USA

Atascosa Project

- Operated working interests ranging from 35.4% to 100% across 5,585 net acres in the Eagle Ford shale, onshore Texas

Colorado Project

- 32.5% non-operated working interest ,Colorado County, onshore Texas

South Australia

Cooper Basin Project

- 17.5% non-operated interest in the PEL 570 acreage area, Cooper Basin, South Australia

Western Australia

Southern Canning Project

- 100% operated interest in exploration permits (EPs 443, 450, 451, 456), Southern Canning Basin, Western Australia
- 100% operated interest in exploration permit application areas (STP-EPA-006, STP-EPA-007 and STP-EPA-010), Southern Canning Basin, Western Australia

Laurel Project

- 100% operated interest in exploration permit EP 417, Northern Canning Basin, Western Australia
- 100% operated interest in exploration permit application areas (STP-EPA-0092 and STP-EPA-0109), Northern Canning Basin, Western Australia

Merlinleigh Project

- 100% operated interest in exploration permits (EPs 481 and 482), onshore Carnarvon Basin, Western Australia

In addition to the above portfolio, New Standard has an 11.8% equity interest in ASX listed Elixir Petroleum (**ASX: EXR**).

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

NEW STANDARD ENERGY LIMITED

ABN	Quarter ended ("current quarter")
20 119 323 385	**31 March 2015**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	1,091	6,638
1.2	Payments for (a) exploration & evaluation	(31)	(771)
	(b) development	(7,017)	(13,568)
	(c) production	(507)	(3,225)
	(d) administration	(1,421)	(4,861)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14	63
1.5	Interest and other costs of finance paid	(731)	(1,949)
1.6	Income taxes paid	-	-
1.7	R&D claim received	1,890	1,890
	Net Operating Cash Flows	**(6,713)**	**(15,782)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	(3,162)
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	6,696
	(b) equity investments	-	-
	(c) other fixed assets	-	50
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	(281)
	Net investing cash flows	**-**	**3,303**
1.13	Total operating and investing cash flows (carried forward)	(6,713)	(12,479)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(6,713)	(12,479)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,955	5,583
1.17	Repayment of borrowings	(155)	(286)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	**1,800**	**5,297**
	Net increase (decrease) in cash held	**(4,913)**	**(7,182)**
1.20	Cash at beginning of quarter/year to date	7,380	9,069
1.21	Exchange rate adjustments to item 1.20	353	933
1.22	**Cash at end of quarter**	**2,821**	**2,821**

Payments to directors of the entity, associates of the directors, 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	310
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees and salaries

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

N/A

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

N/A

+ See chapter 19 for defined terms.

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	USD 48,000	USD 13,793
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	200
4.2	Development	3,000
4.3	Production	(150)
4.4	Administration (net of recharges)	850*
	Total	**3,900**

*Includes $350,000 restructuring & redundancy costs

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	2,821	4,703
5.2	Deposits at call	-	2,677
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**2,821**	**7,380**

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements and petroleum 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** *(description)*	**N/A**			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	**386,169,603**	**386,169,603**		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5	**+Convertible debt securities** (*description)*	**N/A**			

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	500,000 500,000 150,000 150,000 300,000 300,000 1,000,000 1,000,000 100,000 100,000 75,000 75,000 500,000 500,000	- - - - - - - - - - - - - -	*Exercise price* 22.5c 27.5c 81.0c 90.5c 39.0c 44.0c 40.0c 50.0c 51.9c 58.1c 22.4c 24.8c 16.7c 18.7c	*Expiry date* 30 June 2015 30 June 2015 24 April 2015 24 April 2015 12 December 2015 12 December 2015 02 April 2016 02 April 2016 13 February 2017 13 February 2017 27 May 2017 27 May 2017 05 August 2017 05 August 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired/lapsed during quarter				
7.11	**Retention Rights**	138,000 725,000 890,000 500,000	- - - -	*Issue price* 49.97c 16.89c 15.90c 22.30c	*Measurement date* 14 September 2015 14 September 2016 14 September 2017 31 December 2015
7.12	Issued during quarter	500,000	-	22.30c	31 December 2015
7.13	Vested during quarter				
7.14	Expired/lapsed during quarter				
7.15	**Performance Rights**	552,000 4,500,000 7,860,000 750,000 750,000	- - - - -	*Issue price* 49.97c 16.89c 15.90c 18.60c 22.30c	*Measurement date* 14 September 2015 14 September 2016 14 September 2017 31 March 2015 31 December 2015
7.16	Issued during quarter	750,000 750,000	- -	18.60c 22.30c	31 March 2015 31 December 2015
7.17	Vested during quarter				
7.18	Expired/lapsed during quarter				
7.19	**Debentures** *(totals only)*				

+ See chapter 19 for defined terms.

7.20	**Unsecured notes** *(totals only)*		

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 5).

2 This statement does give a true and fair view of the matters disclosed.



David Hansen-Knarhoi
Joint Company Secretary
30 April 2015

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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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