2012 Annual Report

NEW STANDARD ENERGY

The New Energy Frontier

Competent Person

The information in this report is based on information reviewed by Dr Mark Hagan (BSc Hons, PhD) who is a Petroleum Geologist and Geophysicist with more than 35 years experience in this 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.

Corporate Directory

Board of Directors
Arthur Dixon AM
(Non-Executive Chairman)
Sam Willis (Managing Director)
Mark Hagan (Technical Driector)
Chris Sadler (Non-Executive Director)
Phil Thick (Non-Executive Director)

Joint Company Secretary
Mark Clements
David Hansen-Knarhoi

Place of Business
Level 3, 33 Richardson Street
West Perth WA 6005
Ph: +61 (8) 9481 7477
Fax: + 61 (8) 9486 7670
www.newstandard.com.au

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

Legal Advisors
Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Share Registry
Security Transfer Registrars Pty Ltd
Alexandra House
Suite 1, 770 Canning Highway
Applecross WA 6153

ASX Code:
NSE

About New Standard Energy

New Standard Energy is an aggressive hydrocarbon developer with a mandate to explore for oil and gas. Its exploration and drilling program is active, well funded and extensive. The company's exploration program is underpinned and complemented by targeted corporate activity to take advantage of opportunities and to build an extensive pipeline of exploration projects. New Standard's board has extensive technical and commercial experience in the oil and gas sector.

Highlights

Goldwyer Project

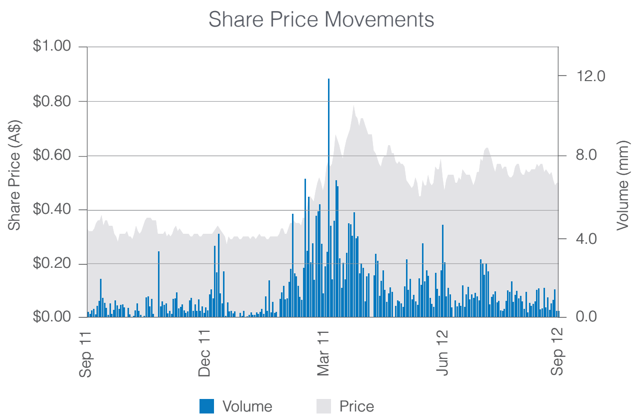
- Execution of a binding farm-in agreement with ConocoPhillips (COP) on 30 September 2011 for COP to spend up to US$119m on the Goldwyer Project to earn a 75% equity interest
- MB Century Rig #14 secured on long term contract
    - A firm 3 well program for Goldwyer Project
    - A further 8 assignable drilling slots (both firm and optional)
    - Rig capable of drilling to depths of 4,300m
- Initial 3 well locations agreed with COP targeting the postulated wet gas window for the Goldwyer formation
- Nicolay #1 well spudded post year end on 18 August 2012
    - First well in the Phase 1 exploration program
    - Data acquisition well incorporating detailed coring, logging and scientific analysis
    - First well to be drilled in the Kidson sub basin for in excess of 35 years

Merlinleigh Project

- Detailed technical review completed highlighting potential for significant conventional and unconventional hydrocarbon resources
- Native title process successfully concluded in early August 2012 culminating in the granting of exploration permits EP 481 and EP 482
    - Facilitates an acceleration of project planning for on-ground exploration activities
    - Potential partnering assessment to be conducted during 2H 2012
    - Exploration program of 1-2 wells being planned and considered for mid-2013

Laurel Project

- Laurel Project footprint doubled in July 2011 with addition of Seven Lakes SPA acreage
- Lawford #1 deepening and regional aerial gravity program completed
- Regional activity continues to provide significant encouragement for Laurel play
    - Buru Energy Ltd (Buru) and Mitsubishi drilled numerous successful exploration wells
    - Aggressive ongoing exploration and appraisal program



Corporate

- Major capital raising completed in December 2011 raising $27m at 30c per share
  - $23m placement and $4m shareholder purchase plan
  - Numerous institutional investors introduced to the share register
- Strengthening of New Standard's balance sheet at 30 June 2012
  - Total assets increased to $94.4m at 30 June 2012 ($30.1m at 30 June 2011)
  - Cash position increased to $24.9m at 30 June 2012 ($4.6m at 30 June 2011)
  - Additional capital management initiatives pursued post year end to realise a further $15.9m following sale of 5 million Buru shares at $3.18 per share
- Significant changes and additions to the Board and senior management completed
  - Chris Sadler and Phil Thick appointed to the Board as Non-Executive Directors
  - Ken Aitken (General Manager Operations and Engineering) and Brett Walker (Exploration Manager) added to the senior management team
- Strategic investment made in ASX listed Elixir Petroleum (Elixir, ASX: EXR) to take 13.7% equity interest via a placement and underwriting of an entitlement issue

Company Profile

New Standard Energy Limited (New Standard or the Company) is an ASX listed entity (ASX: NSE) with onshore oil and gas exploration assets in the Canning Basin in the North-West of Western Australia, the onshore Carnarvon Basin in the Mid-West of Western Australia and in Colorado County and Wharton County in the onshore Texas Gulf Coast region, USA.

Over the last twelve months the Company's primary focus has been on the following:

- Securing a suitable joint venture partner for its flagship Goldwyer Project located in the onshore Canning Basin in Western Australia, to fund and progress an exploration program aimed at assessing the potential for hydrocarbon resources in the region
- Finalising the Native Title agreements necessary to begin an exploration drilling program on the Merlinleigh acreage located in the onshore Carnarvon Basin, Western Australia

Excellent progress has been made on achieving both of these key targets during the past year and as a result New Standard is now well positioned within the emerging shale gas industry of Australia to create real value for its shareholders with exploration and evaluation activities set to become more aggressive during 2013 and beyond.

The past year has also seen a significant strengthening of the Company's balance sheet, resulting in total assets growing more than three-fold to $94.4m as at 30 June 2012 ($30.1m at 30 June 2011). This has been largely driven by a substantial increase in both cash on hand to $24.9m ($4.6m at 30 June 2011) as well as the value of our equity investments in Buru and Elixir increasing to $48.6m ($9.8m at 30 June 2011).

In line with this growth, staff numbers at New Standard have expanded markedly to cater for the emergence of multiple projects within the portfolio and to enhance the Company's operating capacity. This is reflected in the higher staffing and administration costs incurred during the 2012 financial year in order to meet the additional staffing levels required to cater for a significant period of growth. This trend, along with general levels of expenditure across the board, is likely to continue as the Company's activities increase over the coming years. New Standard is also operating in a very remote environment and the Phase 1 activity with COP is somewhat of a "voyage of discovery" to uncover the potential of the Goldwyer Project. As a result the expectation is for a significant increase in the levels of expenditure as exploration activity unfolds over the coming months and years.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Oil and Gas Assets

The following table provides an overview of the Company's exploration portfolio holdings as at 30 June 2012:

Australian Oil and Gas Exploration	Type	Interest	Operator	Joint Venture Partner
Canning Basin				
EP 417	Exploration permit	50%	New Standard Onshore Pty Ltd	Buru Energy Limited, Green Rock Energy Limited
STP-SPA-0017	Special Prospecting	60%	New Standard Onshore Pty Ltd	Green Rock Energy Limited
EP 443	Exploration permit	25%	New Standard Onshore Pty Ltd	ConocoPhillips (Canning Basin) Pty Ltd
EP 450	Exploration permit	25%	New Standard Onshore Pty Ltd	ConocoPhillips (Canning Basin) Pty Ltd
EP 451	Exploration permit	25%	New Standard Onshore Pty Ltd	ConocoPhillips (Canning Basin) Pty Ltd
EP 456	Exploration permit	25%	New Standard Onshore Pty Ltd	ConocoPhillips (Canning Basin) Pty Ltd
Application Area 1/09-0	Application area	100%	New Standard Onshore Pty Ltd	-
Application Area 2/09-0	Application area	100%	New Standard Onshore Pty Ltd	-
Application Area 5/09-0	Application area	100%	New Standard Onshore Pty Ltd	-
Carnarvon Basin				
EP 481	Exploration permit	100%	New Standard Onshore Pty Ltd	-
EP 482	Exploration permit	100%	New Standard Onshore Pty Ltd	-

US Oil and Gas Exploration	Type	Interest	Operator	Joint Venture Partner
Colorado County Project				
Brasher #1	Working interest in mineral rights	32.5%	AKG Energy LLC	Burleson Energy Limited, AKG Energy LLC and minority interests
Heintschel #1	Working interest in mineral rights	32.5%	AKG Energy LLC	As above
Heintschel #2	Working interest in mineral rights	32.5%	AKG Energy LLC	As above
D Truchard #1	Working interest in mineral rights	32.5%	AKG Energy LLC	As above
Joann #1	Working interest in mineral rights	33.68%	AKG Energy LLC	As above
Moeller Project				
Moeller #1	Working interest in mineral rights	38.5%	AKG Energy LLC	Burleson Energy Limited, AKG Energy LLC and minority interests
Wharton County Project	Working interest in mineral rights	36%	AKG Energy LLC	As above

Australian Shale Gas and Tight Gas Portfolio

New Standard Energy is an emerging oil and gas explorer, with a core focus on Western Australian, onshore, unconventional hydrocarbon projects.

With a gross net acreage of 13.82 million acres (59,400 km^2) across Western Australia, New Standard is strategically positioned within the rapidly expanding shale gas industry in Australia. In September 2011 New Standard secured top tier partner ConocoPhillips to fund and progress the company's flagship Goldwyer Project, located in the onshore Canning Basin.

New Standard retains the following interests in its onshore projects in Western Australia:

- a 25% operated interest in the Goldwyer Project in the Canning Basin targeting a liquids prone shale resource;
- 100% ownership of its emerging Merlinleigh Project (onshore Carnarvon Basin) which is prospective for conventional and unconventional hydrocarbon resources; and
- operated interests of between 50% and 60% in its Laurel Project within the Canning Basin targeting an emerging regional resource play

The Company's early position in this rapidly emerging sector has positioned it to assess and participate in strategic exploration and corporate activity. Large project equities of between 25% and 100% provide New Standard and its shareholders with both significant exposure to value creation and corporate/project flexibility to progress projects along the value creation curve.

New Standard's board and senior management has been significantly expanded to reflect the growth and development of its exploration program to ensure it possesses significant technical skills, expertise and success in hydrocarbon exploration, project development and corporate strategy. The ability to operate the early phases of exploration has been a key driver of this staff expansion and provides New Standard with a human resource base and skillset to help achieve the company's corporate objectives.

WA Gas Market: An Overview

Western Australia is currently well positioned to extract value from the attractive exploration environment for shale and tight gas opportunities within the state. WA has some of the most favourable onshore outlooks across the country, with the Canning Basin potentially holding one of the largest hydrocarbon resources in the World.

As the expected worldwide demand for gas increases, petroleum companies are continuing to explore undeveloped onshore prospects (including Western Australia) with the aim of tapping major energy resources. Looking locally, there has been an increasing, and sustained, upward pressure on WA gas prices. Limited existing supply in the WA energy market has led to an opening for the development of shale and tight gas opportunities. A major contributing factor in this growing pressure has been spurred by the forecast decline of the North-West Shelf domestic gas supply and the increasing costs of incremental supply especially within the offshore fields of Western Australia.

With domestic gas prices likely to remain high, a clear opportunity for shale gas and tight gas resources is emerging in Western Australia, with New Standard at the forefront of unlocking such value. With a substantial acreage position ahead of the growing curve New Standard is well positioned for the rise in the WA energy market.

Growing infrastructure in the Kimberley region is a key contributing factor in the shale development, with multiple LNG developments and large players positioning to extract maximum value from the emerging market.

Western Australia aside, natural gas is also poised to play a critical role in the Australian Government's planning for the national energy sector in the next decade. The Government's draft Energy White Paper on reform outlines how gas could account for approximately 44 per cent of Australia's electricity supply by 2050 – nearly triple the 15 per cent it accounted for in 2009-10.

Goldwyer Project: Canning Basin, Western Australia

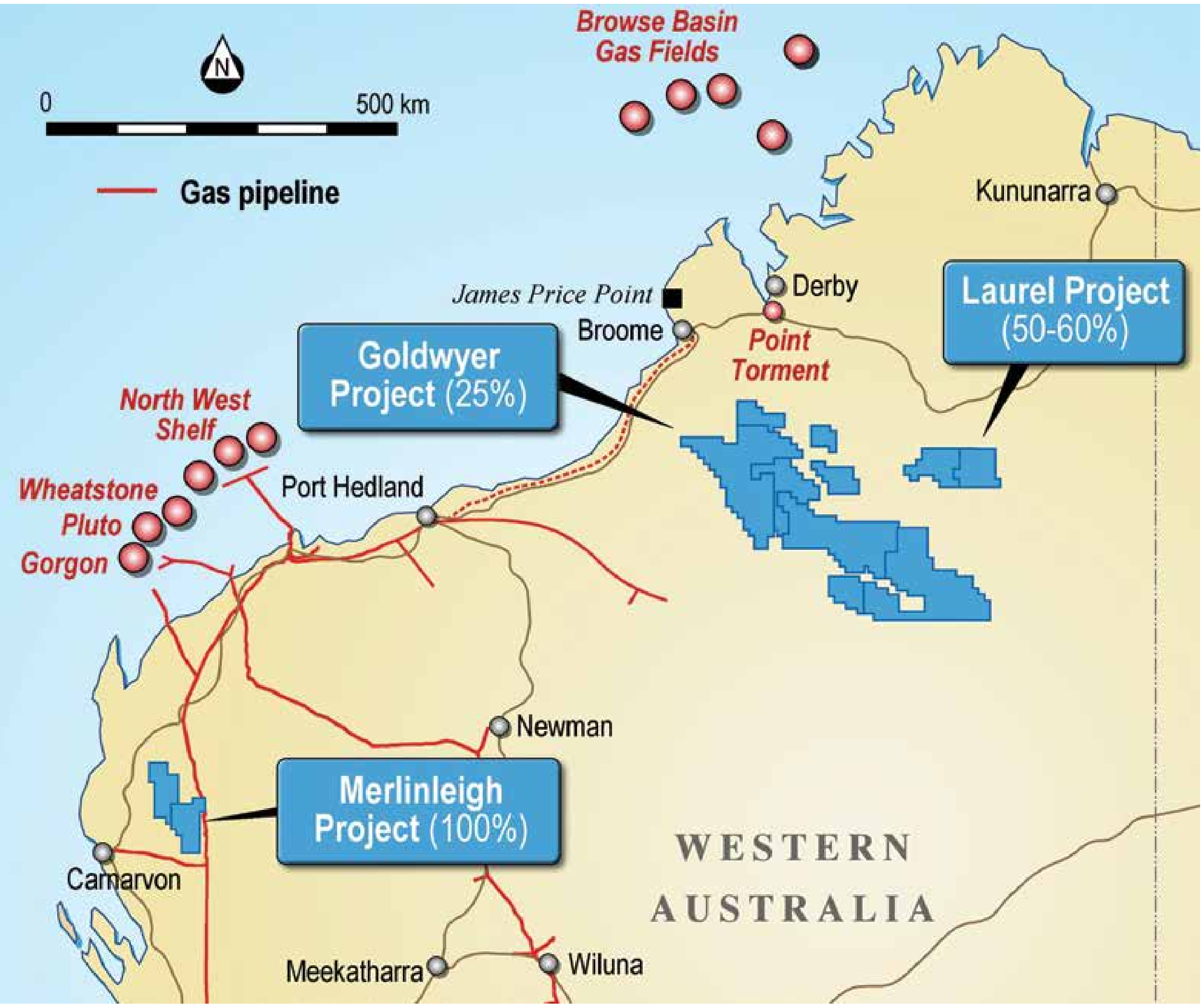
New Standard 25% operated interest

The Goldwyer Project covers in excess of 48,000km² of prospective acreage in the Canning Basin across EP's 443, 450, 451 and 456 as well as application areas 1/09-0, 2/09-0 and 5/09-0. During the financial year New Standard met all work requirements related to the permits and reached a key company milestone signing oil and gas super major ConocoPhillips as joint venture partner for the project.

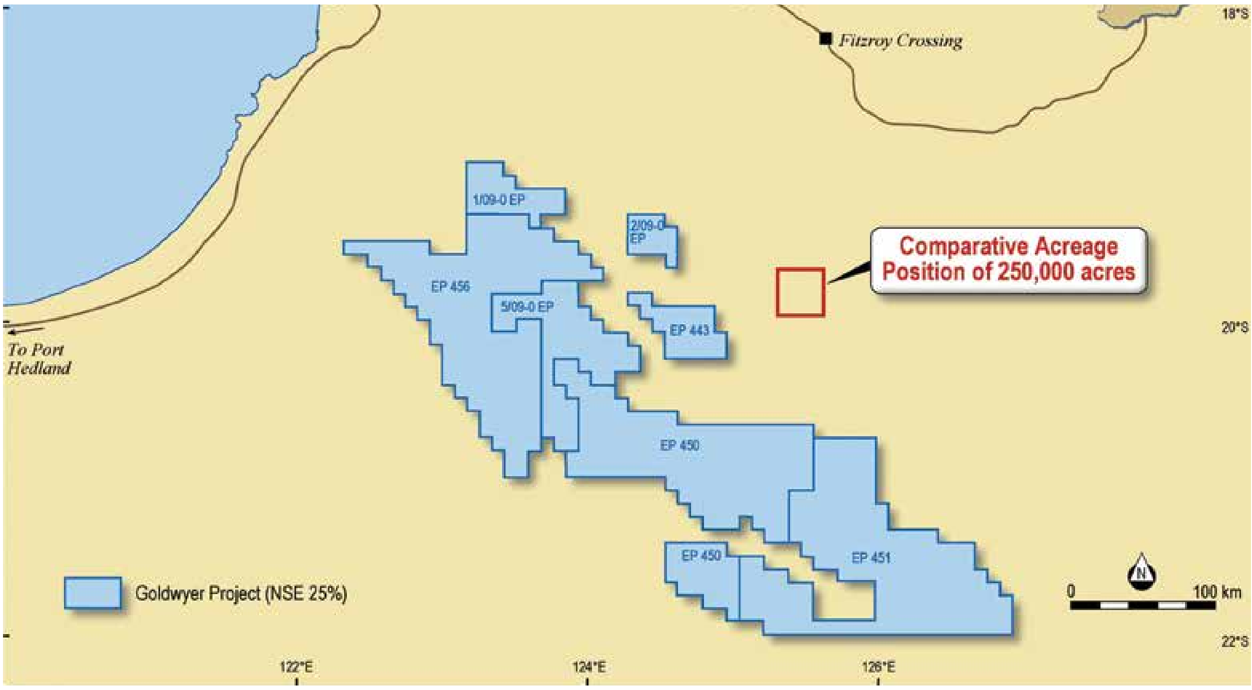
Following months of planning and preparation, Phase 1 of the Goldwyer Project reached a major execution phase in August 2012 as New Standard commenced drilling at the first exploration well location Nicolay #1. Nicolay #1 is the first of three vertical wells planned to target the potential wet gas window of the Goldwyer formation within the Project acreage.

The Goldwyer Project participants (New Standard and COP) have jointly identified and agreed the three drilling locations for the Phase 1 exploration program with the campaign focussed on data acquisition to provide initial validation of the potential for a substantial resource play across the Goldwyer Project acreage. Data will be acquired through a combination of full coring throughout the Goldwyer formation, sophisticated mud-logging and a comprehensive suite of electric wireline logs.

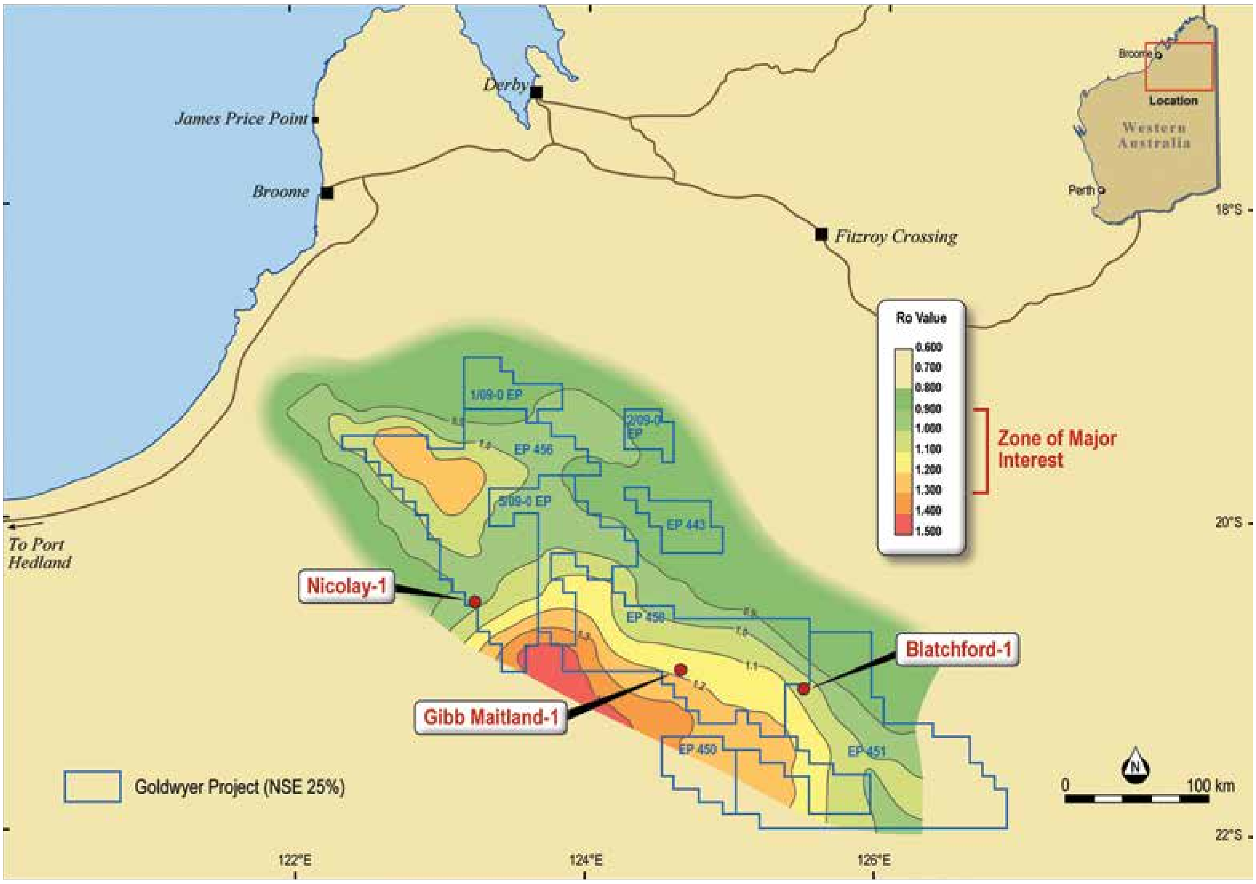
Following data acquisition, a detailed set of scientific studies and analysis will be undertaken in specialised laboratories to fully assess the Goldwyer formation's prospectivity in addition to reservoir evaluation to be undertaken on site to gather detailed information on reservoir pressures and fracture potential of the formations of interest. This information will assist to identify which section(s) within the Goldwyer formation has the most prospective characteristics and help refine the target zones as a result. It will also contribute valuable information to facilitate the early design of Phase 2 work should a decision be made to proceed.



New Standard's large acreage position in a strong and growing energy market



Large contiguous acreage position with the potential for a liquids rich wet gas window of substantial size



Three initial drilling locations targeting the potential liquids rich gas zones at varying depths across three separate permits

The information being acquired through the Phase 1 drilling program and subsequent scientific analyses and reservoir evaluation is aimed at obtaining a comprehensive, modern data set in order to more fully appraise the potential for the presence of a regional hydrocarbon resource of significant scale and prospectivity. In particular, the data being sought is aiming to establish the following attributes that are important for successful shale plays:

- Quality of the source rock (TOC, Kerogen type, Maturity, Gas to Condensate Ratio, Rock Evaluation)
- Quality of the reservoir (Facies, GRI Porosity, Saturation, Permeability)
- Containment (Seal, Faults, Burial History, Residence Time)
- Brittle and breakable rock (Mineralogy, Contiguous Thickness, Depth, Pressure, Stress Regime)

Establishment of encouraging results for each of these aspects during Phase 1 will help provide the basis for making a decision to proceed to Phase 2 of the farm-in program.

In summary, the Goldwyer Joint Venture has commenced the first modern exploration program for in excess of 35 years in the remote parts of the southern Canning Basin. The commencement of drilling at Nicolay #1 was a landmark event for New Standard and its shareholders as the company commenced the process of systematically exploring and evaluating a potential world class hydrocarbon resource in conjunction with joint venture partner ConocoPhillips - a global leader in the unconventional hydrocarbon sector.

Merlinleigh Project: Carnarvon Basin, Western Australia

New Standard 100% operated interest

The Merlinleigh Project is based around the 5,500km^2 (1.36 million acres) held by the Company in the onshore Carnarvon Basin. New Standard owns a 100% operated interest in the project which is presently comprised of two exploration permits; EP481 and EP482. A significant milestone for the project's progression came in August 2012 with the signing and finalisation of Native Title agreements and State Deeds paving the way for the application areas to be converted to exploration permits. The exploration permits are strategically located adjacent to the Dampier to Bunbury Natural Gas Pipeline which supplies gas to a large number of industrial, mining and domestic customers in Western Australia.

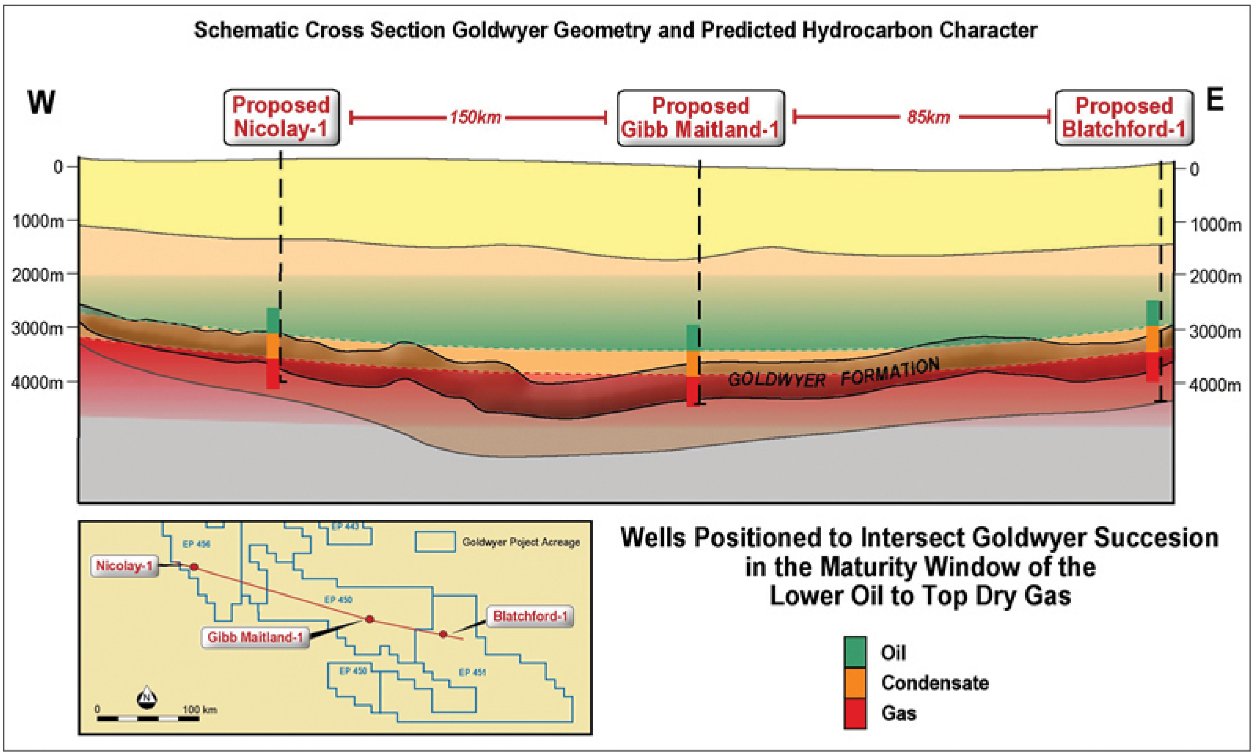
The project lies within the Merlinleigh sub-basin of the greater Carnarvon Basin and comprises the majority of the mature geological settings within the proven working petroleum system. The Merlinleigh Project has attractive potential for unconventional hydrocarbons as evidenced by the encouraging presence of thick, organic rich source rocks with excellent TOC measurements, elevated hydrocarbon readings on historical logs and evidence of gas bleeding from various associated cores.

During the second half of the year New Standard's technical team undertook a significant amount of in-house work that was primarily focussed on the following:

- Further assessing the unconventional potential of the numerous shales and source rocks within the project area;
- Refining the potential target areas of interest for the unconventional resource plays within the large 1.36 million acre holding to a primary zone of interest covering 1,100km^2 zone;
- Refining the conventional targets and enhancing their prospectivity based on seismic reprocessing and further analysis of sand quality and hydrocarbon composition apparent from previous wells; and
- Ensuring potential drilling prospects are ranked on the basis they provide attractive targets for both unconventional and conventional tests.

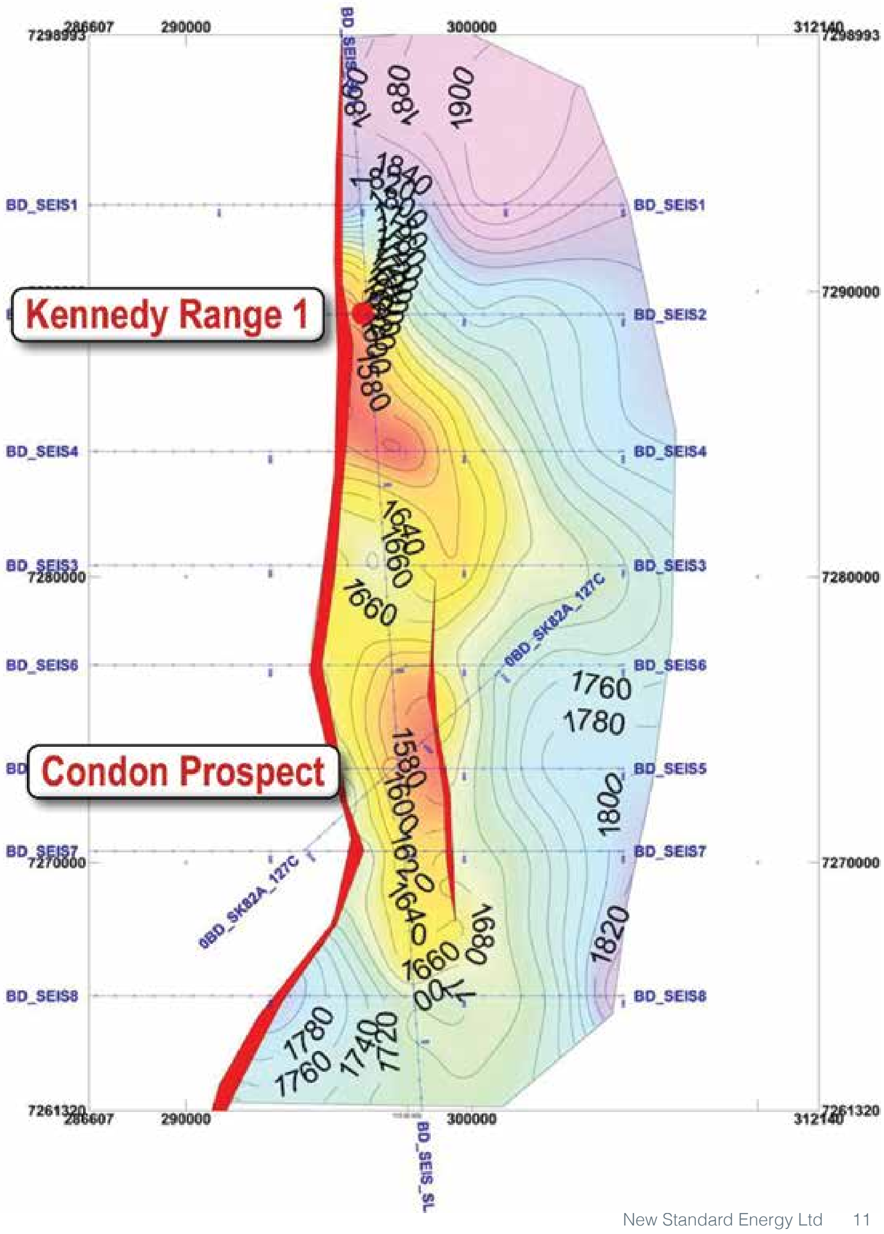
The work completed to date has confirmed the presence of a working petroleum system in the Merlinleigh Basin which is supported by evidence from the Kennedy Range #1 well drilled as a basin centre test in 1967. KR #1 included a coring program and further analysis of the well completion data, logs and cores taken from this well confirms the presence of thick, organic rich shales with TOC ranges of between 2-4% over significant thicknesses of up to 300m.

The immediate future plans for the Merlinleigh include undertaking a thorough review of potential partnering alternatives during 2H of 2012 whilst accelerating planning and preparations for an exploration program with the aim of being able to commence such activity mid 2013 should a decision be made to do so.



The three Phase 1 vertical well locations and the target zones for the Goldwyer formation

Top Wooramel Depth Map for the Merlinleigh Project



Laurel Project: Canning Basin, Western Australia

New Standard 50% - 60% operated interests

The Laurel Project is located in the northern Canning Basin in the Fitzroy Trough and comprises a 50% operated interest in EP 417 and a 60% operated interest in the Seven Lakes Special Prospecting Authority (Seven Lakes SPA) that was successfully awarded in July 2011. The Laurel Project provides a second substantial asset for New Standard in the Canning Basin and is emerging as an attractive regional play following the recent exploration success being experienced by Buru Energy Ltd (ASX: BRU) and its joint venture partners in the region.

New Standard deepened the Lawford #1 exploration well on EP 417 during the year and completed an aerial gravity survey post year end pursuant to the work commitments forming part of the SPA application over the Seven Lakes SPA area immediately adjacent to EP 417. This gravity survey also encompassed the EP 417 acreage in an effort to enhance the regional database and facilitate more detailed reviews of the prospectivity of the permits in light of recent exploration successes in the region.

From a regional perspective, the Laurel play continues to be progressed through additional exploration and appraisal drilling by Buru and its joint venture partner Mitsubishi to the north-west of New Standard's Laurel Project. Any ongoing success from this continued activity should provide solid ongoing encouragement regarding the potential of the emerging Laurel play across the region.

Conventional Onshore United States Portfolio

New Standard 32.5% - 38% working interest

New Standard continues to receive monthly income from its equity stake in the Colorado County project in onshore Texas. The project is self-sufficient in terms of covering associated holding costs from the four producing wells in Joann #1, Heintschel #1, Heintschel #2 and D. Truchard #1 – all of which are continuing to produce modest levels of income.

New Standard elected not to participate in the horizontal well currently being drilled by the joint venture partners in the Heintschel field given the US assets no longer represent a core portfolio holding in light of New Standard's clear focus on the unconventional resource projects in the Australian portfolio.

The horizontal well currently being drilled by New Standard's joint venture partners is the first attempt to enhance the potential economics of the Heintschel field using horizontal drilling and a multi-stage fracture stimulation program. A successful outcome from this horizontal well should help enhance the potential economics of the field and therefore the value of the project overall. New Standard will continue to assess its alternatives and potential ability to crystallise value during H2, 2012 as results from this current drilling and testing program become evident.

Equity Investments

Buru Energy Limited

New Standard's strategic stake in Buru was secured following the Acacia Fairway transaction in August 2009. This transaction has resulted in New Standard owning a 6.4% equity investment (15 million shares) in Buru at 30 June 2012. Post year end New Standard sold 5 million shares at $3.18 per share and retains a further 10 million shares.

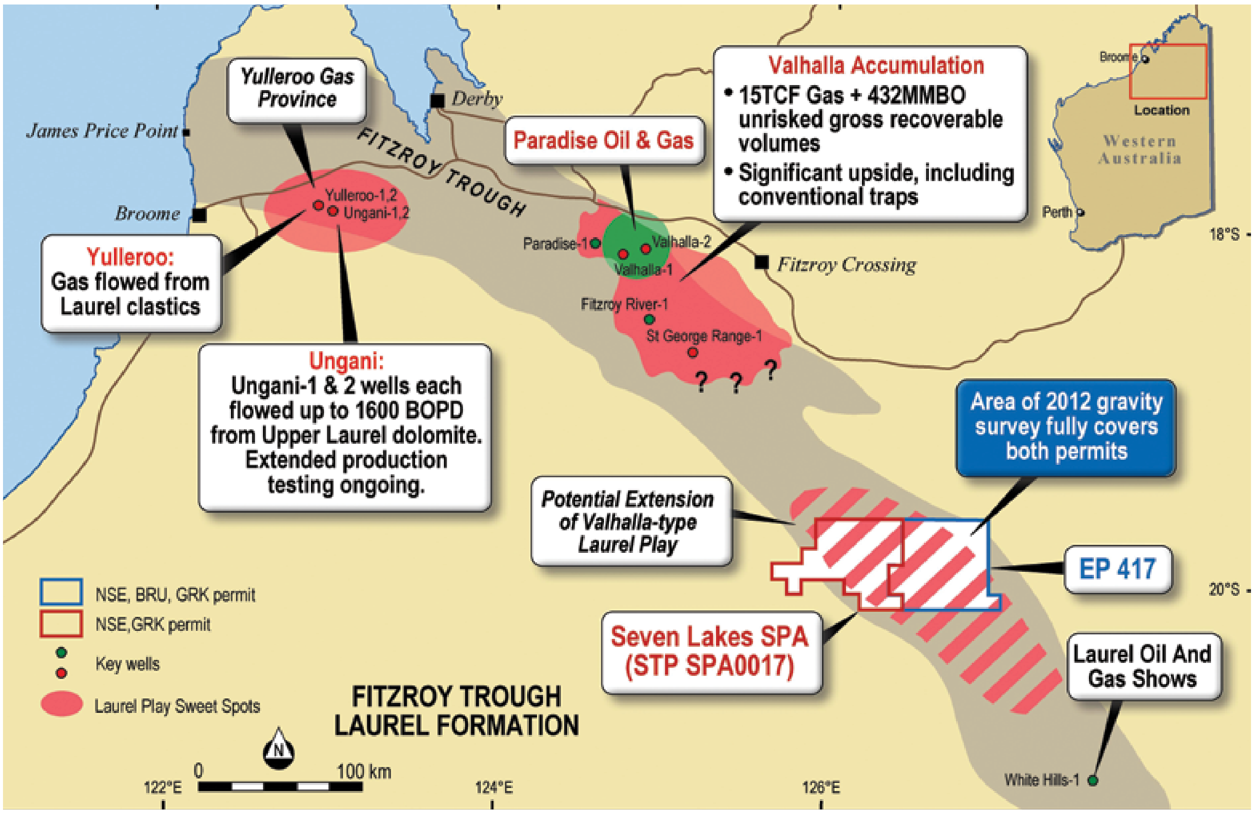
Elixir Petroleum

New Standard's recent investment into Elixir Petroleum for a 13.7% corporate equity stake in the company offers exposure to a 100% owned Moselle Project in the Paris Basin in France. The Moselle Project spans an area of 5,360km^2 and is the largest single exploration block in onshore France, and has the potential for both conventional and unconventional exploration opportunities.

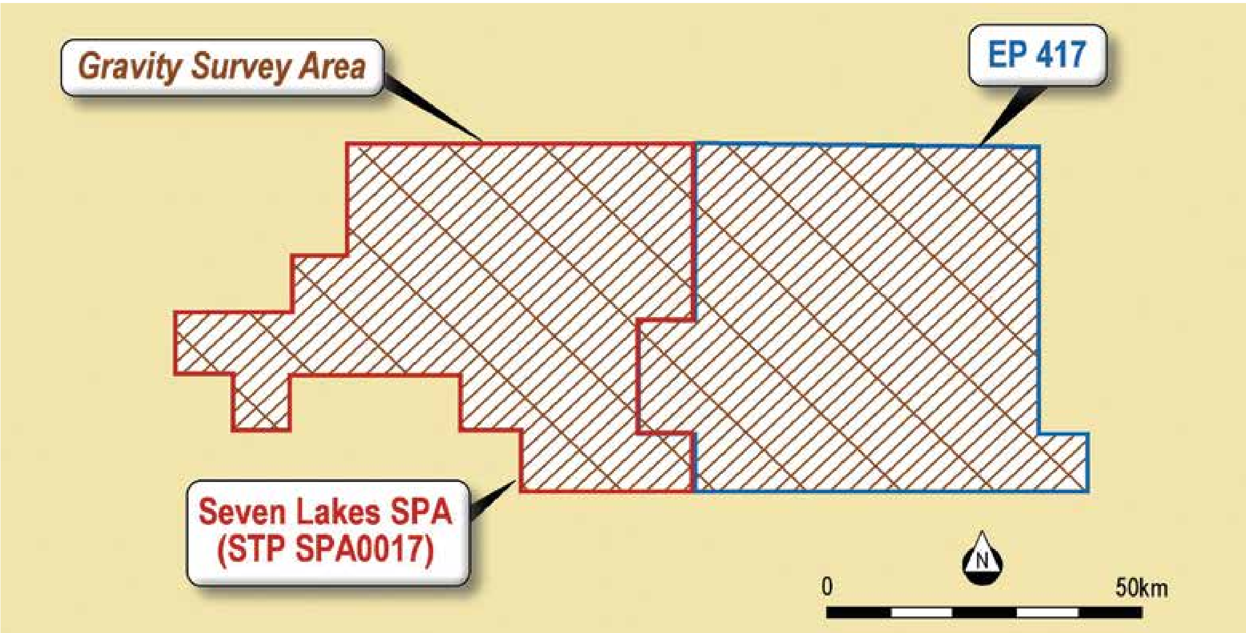
This opportunistic investment positively met assessment criteria, project evaluation and the long term strategy goals for New Standard. The investment has been made more attractive by a minimal ongoing financial and management commitment.

Summary

Corporately New Standard remains well positioned in a rapidly emerging energy sector in Australia and is in a strong financial position with large equity positions in technically attractive projects. As a result, the Company is well positioned to extract value from within the current exploration portfolio and will continue to assess and progress other opportunities, both conventional and unconventional, on an ongoing basis in an effort to further enhance the potential for ongoing New Standard shareholder wealth creation.



The Laurel Play will continue to emerge as an exciting regional play on the back of Buru/Mitsubishi exploration



The Laurel Project's Gravity Survey area covering 100% of EP 417 and the Seven Lakes SPA

Chairman's Report

Dear New Standard Shareholders,

I am delighted to present this year's annual report to you after completing my first full year as non-executive Chairman.

During the past year the board and shareholders of New Standard have participated in a tremendous transformation, and we are beginning to realise the benefits of that carefully planned growth and progress. Your company has experienced strong growth in market capitalisation together with significant expansion of staff numbers in order to meet the challenges of developing New Standard as an emerging onshore operator in the oil and gas sector whilst still diligently pursuing new opportunities. During this period the balance sheet and access to capital have also been strengthened significantly.

The business is continuing to evolve with a portfolio of assets centered on the emerging unconventional hydrocarbon sector – specifically shale gas and tight gas. New Standard has amassed a very large acreage position in both the onshore Canning and Carnarvon basins in Western Australia.

The key strategic drivers behind this portfolio have been the technical prospectivity of the assets alongside the attractive commercial backdrop of the Western Australian energy markets, both domestic and export.

The flagship Goldwyer Project has been a key driver of the past twelve months' growth following the successful execution of a binding farm-in agreement with ConocoPhillips in September 2011. This agreement has paved the way for the planning and commencement of the agreed Phase 1 exploration activity which includes the following activity:

- drilling, coring and logging of three vertical wells;
- detailed scientific core analysis of the cores from each well; and
- formation evaluation tests (if warranted)

The aim of the Phase 1 work program is to obtain a detailed, modern data set to allow us to assess the technical prospectivity of the Goldwyer formation. In particular, we believe the information being sought will provide sufficient encouragement for ConocoPhillips to commit to Phase 2 of the program which will focus more on the ability to extract hydrocarbons.

The combination of acreage size, technical prospectivity and quality of partner provide New Standard shareholders with exposure to a unique opportunity in the Goldwyer Project. Whilst there are still large inherent risks at this early stage of exploration, the opportunity is tremendously exciting.

While much attention has been focused on the Goldwyer Project, New Standard has also been working hard to progress the Merlinleigh Project along the value creation pathway.

The technical analysis conducted by New Standard indicates that the Merlinleigh has the potential to host a significant amount of hydrocarbons from both a conventional and unconventional perspective. This combined with the ideal location, immediately adjacent to Western Australia's major gas infrastructure (the Dampier to Bunbury Natural Gas Pipeline), creates a compelling opportunity for New Standard to pursue. The Merlinleigh presents an attractive opportunity to create a commercial project in a relatively short period of time should early stage exploration efforts prove successful.

In this regard the Merlinleigh Project took a large step forward with the recent granting of exploration permits EP 481 and EP 482, following the successful negotiation and execution of native title agreements and State Deeds with the relevant parties. Our ability to establish a strong relationship with the Gnulli claim group and traditional owners in the region was an important component of the permit conversion and allowed us to establish a new precedent in Western Australia which was particularly pleasing. We appreciate the understanding and co-operation of the traditional owners and look forward to continuing that relationship.

New Standard has been liaising with stakeholders across all of its projects to ensure they are aware of the activities we are conducting. This communication and consultation is something on which we remain particularly focused and we continue to commit substantial resources towards these efforts. As part of this process New Standard was instrumental in developing, and is a founding signatory to, the Western Australian Code of Practice developed by the onshore working group in conjunction with APPEA.

Protecting the health and safety of our people, our stakeholders and the surrounding environment is at the forefront of everything we do, and our commitment to the Code of Practice is representative of that principle.

In relation to our staff I would like to pay particular tribute to the dedication, enthusiasm and professionalism of our Executive Directors as well as the ongoing efforts of all our staff. We are fortunate to have a wonderful team of people that is working very hard to deliver results above and beyond expectations and for that I am sincerely grateful to the entire team.

The board has been expanded in the past year to ensure the company has directors with the right skills and vision to create value for shareholders as we experience the significant challenges and opportunities inherent with being a growing company. The appointment of Phil Thick and Chris Sadler to the New Standard board provides valuable additional skills and complements the technical and corporate expertise within the New Standard board and I thank them for their contributions. Ian Paton also left us during the year and I would like to acknowledge his contribution as a non-executive Director and Chairman over past years.

There is little doubt that New Standard shareholders are faced with some exciting times ahead. Despite the numerous challenges that will undoubtedly arise in the coming months, New Standard is attractively positioned with a three well program in the Goldwyer Project currently underway, the ongoing emergence of the Merlinleigh Project from within the portfolio and the benefit of a strengthening capital base from which to pursue corporate and exploration activity.

We appreciate the ongoing support of our shareholders and all our stakeholders and look forward to the coming twelve months which will see the unfolding of the next chapter in the New Standard story.

Yours Sincerely,

Arthur Dixon AM
Chairman

Directors' Report

The Directors of New Standard submit herewith the annual financial report of the Company and the entities it controlled at the end of, or during the financial year ended 30 June 2012.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the period stated.

Mr Arthur Dixon AM

Non-Executive Chairman
(Appointed 1 May 2011)

Age 70

Qualifications

B.E.

Experience

Arthur Dixon graduated from Melbourne University as a Chemical Engineer. Arthur is a 40 year oil and gas veteran with Shell and of that, more than 20 years in the LNG business. He has served on the boards of Australia LNG Ship Operating Company (ALSOC), Brunei LNG, Brunei Shell Tankers and Shell International Gas and has considerable experience working with joint venture partners.

Arthur currently advises selected clients, conducts executive training courses on LNG and is Chairman of the Board of the Australian Centre for Natural Gas Management, a joint venture between the University of Western Australia and Curtin University of Technology. Arthur was made a Member of the Order of Australia in January 2008.

Current and Former Directorships in listed entities in the last 3 years

Nil

Relevant interests in shares and options

86,000 fully paid ordinary shares

450,000 options exercisable at $0.385 on or before 20 December 2014

300,000 options exercisable at $0.430 on or before 20 December 2014

Mr Sam Willis

Managing Director
(Appointed 28 July 2008)

Age 40

Qualifications

B.Com

Experience

Prior to his role at New Standard, Sam worked in the corporate advisory and financial markets fields for over 10 years where his primary duties involved assisting companies achieve an ASX listing, providing general corporate advice, M&A assessment, deal co-ordination and structuring and capital raising for unlisted and listed companies.

Sam has also previously worked as a private client advisor with Hartleys, in an advisory capacity with Red Dingo (venture capital), and as an investment analyst with both Deutsche Bank and Schroders Investment Management in London.

Current and Former Directorships in listed entities in the last 3 years

Base Resources Limited (ASX: BSE)

Northern Energy Corporation Ltd (ASX: NEC) (resigned February, 2011)

Relevant interests in shares and options

11,130,762 fully paid ordinary shares

2,500,000 options exercisable at $0.385 on or before 20 December 2014

1,500,000 options exercisable at $0.430 on or before 20 December 2014

Dr G. Mark Hagan

Technical Director
(Appointed 28 July 2008)

Age 66

Qualifications

B.Sc, Ph.D

Experience

Mark holds a Ph.D in Geology from the University of Western Australia (1974) and has over 30 years' experience in oil and gas exploration and production with expertise in the integration and operation of all technical, operational and marketing aspects of oil and gas business ventures. He spent over 18 years in USA/Europe on worldwide projects in a variety of positions and was ultimately responsible for exploration activities in Europe, Africa, South America and Asia for Sun Oil Company – a large US based integrated oil company. Mark was on the Board of Sun Exploration and Production Company from 1989 to 1991 during which time new discoveries were made in diverse exploration spheres and oil production rose to 70,000 barrels/day.

Since returning to Australia in 1991, Mark has been an independent consultant, mainly on projects in the Australia/Asia region and is past Chairman of Empire Oil and Gas NL (1999-2002) – an ASX listed exploration company.

Current and Former Directorships in listed entities in the last 3 years

Nil

Relevant interests in shares and options

4,088,893 fully paid ordinary shares

1,750,000 options exercisable at $0.385 on or before 20 December 2014

1,000,000 options exercisable at $0.430 on or before 20 December 2014

Mr Chris Sadler

Non-Executive Director
(Appointed 20 April 2012)

Age 50

Qualifications

BCA, MBA

Experience

Chris has considerable experience in both the corporate finance and energy sectors, through his role on the Eastern Star Gas board prior to the takeover by Santos, and involvement in various mergers and acquisitions as a non-executive director at Gloucester Coal, Mitre 10 and Austock.

With approximately 20 years' experience in investment banking, working for Deutsche Bank, JP Morgan, SG Warburg and Salomon Brothers in Melbourne, London, New York and Sydney, Chris brings extensive experience in mergers and acquisitions, corporate restructurings, equity and debt financings.

Current and Former Directorships in listed entities in the last 3 years

Gloucester Coal Limited (ASX: GCL) (resigned June, 2009)

AMA Group Limited (ASX: AMA) (resigned November, 2009)

Eastern Star Gas Limited (ASX: ESG) (resigned November, 2011)

Austock Group Limited (ASX: ACK) (resigned February, 2012)

Relevant interests in shares and options

100,000 fully paid ordinary shares

Mr Phil Thick

Non-Executive Director
(Appointed 11 July 2012)

Age 53

Qualifications

B.Eng. (Hons) FAICD

Experience

Phil has extensive experience in the downstream oil sector and particularly in the areas of logistics, terminals and transport through his experience at Coogee Chemicals and Shell. Phil also brings a valuable understanding of the WA energy market as a result of his most recent role as Managing Director at Coogee Chemicals – a company that remains a significant end user of energy in the WA market.

Phil is a Civil Engineer from the University of Western Australia and a Fellow of the Australian Institute of Company Directors. He commenced his career in Perth with Alcoa before joining Shell in 1986. A 20 year career with Shell saw stints in London and in most cities around Australia, culminating in 8 years in Melbourne, where Phil was on the Board of Shell Australia Limited. He was also Chairman of Shell Fiji Limited and a Director of the Australian Institute of Petroleum

Current and Former Directorships in listed entities in the last 3 years

Syngas Limited (ASX: SYS) (resigned June, 2010)

Argosy Minerals Limited (ASX: AGY)

MHM Metals Limited (ASX: MHM)

Relevant interests in shares and options

100,000 fully paid ordinary shares

Mr David Hansen-Knarhoi

Chief Financial Officer and Joint Company Secretary
(Appointed 7 September 2011)

Experience

David has a Bachelor of Commerce degree from the University of Western Australia. David is a Fellow of the Institute of Chartered Accountants of Australia and a member of the Institute of Directors of the United Kingdom. He has over 17 years' management, corporate administration, finance and accounting experience working for a number of listed and unlisted public companies both in Australia and the United Kingdom.

Mr Mark Clements

Joint Company Secretary (Appointed 28 July 2008)

Experience

Mark has a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Institute of Chartered Accountants of Australia. Mark is also a member of the Australian Institute of Company Directors and an affiliated member of the Institute of Chartered Secretaries in Australia. He has over 15 years management, corporate administration, finance and accounting experience working for a number of listed and unlisted public companies for which he has held the role of Company Secretary for over 10 years. Mark previously worked for an international accounting firm.

Principal Activities

The principal activities of the Company during the course of the year were the continued exploration for oil and gas in the Canning Basin in north-west Western Australia. In addition, resources were applied to reviewing and securing exploration permits for the Merlinleigh Project in the onshore Carnarvon Basin and maintaining investments in onshore development in the Texas Gulf region, Southern USA.

Operating Results

The consolidated entity's net profit attributable to members of New Standard for the year ended 30 June 2012 after applicable income tax was $205,129 (2011: loss of $79,081).

A summary of consolidated revenues and results for the year by reportable segment is set out below:

	Segment revenues 30 June 2012	Segments results 30 June 2012
Australia – oil and gas exploration	-	-
United States – oil and gas exploration	-	-
Total segment revenue/result	-	-

Segment results are adjusted earnings before interest, tax, depreciation and amortisation, which is the measure of segment result that is reported to the Managing Director to assess the performance of the operating segments.

Future Developments

The Company intends to pursue its current stated objectives as an oil and gas explorer.

Dividends

No dividend has been declared or paid during the financial year and the Directors do not recommend the payment of any dividend in respect of the current or preceding financial years.

Environmental Regulations

The economic entity holds participating interests in oil and gas exploration permits. The New Standard group is subject to environmental regulations under relevant Australian and Western Australian legislation in relation to its oil and gas exploration activities, particularly with the Western Australian Department of Mines and Petroleum and the Western Australian Department of Environment and Conservation. The Directors actively monitor compliance with the regulations and as the date of this report, the Directors are not aware of any material breaches in respect of the regulations.

Greenhouse Gas and Energy Data Reporting Requirements

Given the nature and location of the Group's operations in Australia and the USA, both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007 are not expected to have a material impact

Share Options

Share options on issue at year end or exercised during the year:

Details of unissued ordinary shares of the Company under option at the date of this report are as follows:

Item	Number of Shares under Option	Date of Issue	Exercise Price of Options	Expiry Date of Options
Unlisted Options	500,000	29/03/2011	$0.225	30/06/2013
Unlisted Options	500,000	29/03/2011	$0.275	30/06/2013
Unlisted Options	6,250,000	20/12/2011	$0.385	20/12/2014
Unlisted Options	3,750,000	20/12/2011	$0.430	20/12/2014
Unlisted Options	300,000	24/04/2012	$0.810	24/04/2015
Unlisted Options	300,000	24/04/2012	$0.905	24/04/2015
Unlisted Options	300,000	09/05/2012	$0.535	09/05/2015
Unlisted Options	300,000	09/05/2012	$0.600	09/05/2015

During the year and up to the date of the report 7,250,000 unlisted $0.225 options and 7,250,000 unlisted $0.275 options were exercised prior to expiry.

Refer to the notes to the financial statements for details of options granted during the period.

Proceedings on Behalf of the Company

No person has applied for leave of the Court under Section 327 of the Corporations Act 2001 to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any proceedings during the year.

Events Subsequent to Year End

On 16 July 2012, the Company announced the appointment of Phil Thick as a Non-Executive Director of New Standard Energy Ltd. Mr Thick's appointment completed New Standard's board expansion and skills enhancement program, and provides substantial downstream and development experience to the company at an important time in its corporate history.

On 16 July 2012, the Company also announced the appointment of Ken Aitken as General Manager of Operations and Engineering for the Company. Mr Aitken has primary responsibility as Project Manager for the Goldwyer operations and will also assume responsibility for the engineering and operations planning for the emerging Merlinleigh Project.

On 2 August 2012 New Standard sold 5 million Buru Energy Limited shares at a price of $3.18c per share to realise cash proceeds of $15.9 million before costs. The share sale proceeds increased the Company's cash position to in excess of $40 million and provides a more stable and balanced mix of cash and investments on the balance sheet. The transaction is tax effective and no taxation liability is expected to arise given the current carried forward losses available to the Company.

On 13 August 2012, the Company announced it had successfully converted its Merlinleigh Special Prospecting Authority acreage to granted exploration permits after securing native title agreement with the Gnulli Native Title Claim Group (Gnulli) and executing all necessary agreements and State Deeds with both the Gnulli and Western Australian Department of Mines and Petroleum (DMP). The execution of these documents triggered an offer for the grant of two exploration permits from the DMP with New Standard formally accepted via its wholly owned subsidiary New Standard Onshore Pty Ltd. The granting of the exploration permits paves the way for access to the Merlinleigh Project acreage and provides the ability for on ground exploration activity to commence during 2013.

On 20 August 2012, the Company announced that its Nicolay #1 well was spudded on Saturday 18th August 2012, commencing the first of a three well drilling program on the Goldwyer Project in the Canning Basin. With a target depth of approximately 3,450 metres, the primary objective of the vertical Nicolay #1 well is to gather a comprehensive, modern data set over a large section of the Goldwyer formation (primary target) via a detailed program consisting of mud logging, full coring and electric wireline logs to be taken over a significant thickness of prospective Goldwyer formation. Information regarding the secondary targets of the overlying Bongabinni and Nita formations will also be gathered. Following data acquisition, a detailed set of scientific studies and analyses will be undertaken to fully assess the Goldwyer formation's prospectivity in addition to targeted reservoir evaluation to be undertaken on site to gather detailed information on reservoir pressures and fracture potential of the Goldwyer formation. This information will assist in identifying which section(s) within the Goldwyer formation has the most prospective characteristics and help refine and delineate potential future target zones as a result.

On 7 September 2012, S&P Dow Jones Indices announced the changes in the S&P/ASX indices, effective after the close of trading on 21 September 2012, as a result of the September quarterly review. At this rebalance, the S&P/ASX 300 index hierarchy was reviewed and New Standard Energy Ltd was added to this index.

Other than the above, there has been no other matter or circumstance that has arisen since the end of the year that requires disclosure.

Directors' Meetings

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director whilst in office. During the financial year, 9 Board meetings were held. There were 3 remuneration committee meetings and 2 audit committee meetings. There were no nomination committee meetings.

	Board of Directors		Audit Committee		Remuneration Committee	
Directors	Held	Attended	Held	Attended	Held	Attended
Mr A Dixon, AM	9	9	2	2	3	3
Mr S Willis	9	9	2	2	-	-
Dr M Hagan	9	9	1	1	-	-
Mr I Paton	8	8	2	1	3	2
Mr C Sadler	1	1	-	-	-	-
Mr P Thick	-	-	-	-	-	-

Indemnification of Officers and Auditors

During or since the financial year the Company has indemnified and entered into Deeds of Indemnity and Access with each of the current Directors to indemnify the Director or any related body corporate against a liability incurred as a Director. The Deeds provide for the Company to pay all damages and costs which may be awarded against the Directors.

The Company has paid premiums to insure each of the Directors against liabilities for cost and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. This cover has also been extended to cover the activity in the USA through the wholly owned subsidiary, New Standard Energy Inc.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Company and/ or the consolidated entity are important.

Details of the amounts paid or payable to the auditor BDO Audit (WA) Pty Ltd for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as outlined below, did not compromise the auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principle relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the year no fees were paid or payable to the auditor or related entity for non-audit services.

Auditor's Independence Declaration

A copy of the auditor's independences declaration under s.307C of the *Corporation Act 2001* in relation to the audit of the full year is included on page 42.

Remuneration Report - Audited

This remuneration report sets out the remuneration arrangements for New Standard Energy Limited (New Standard) for the year ended 30 June 2012. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001*.

Details of key management personnel

The remuneration report details the remuneration arrangements for key management personnel ('KMPs') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, and comprise the Directors (whether executive or otherwise) of the Company and other executives. Details of KMP are set out below:

Name	Position	Appointed during the period
Executives		
S Willis	Managing Director	
M Hagan	Technical Director	
D Hansen-Knarhoi	Chief Financial Officer and Joint Company Secretary	7 September 2011
B Walker	Exploration Manager	7 May 2012
M Gracey	Commercial and Legal Manager	
P Achour	Health, Safety and Environment Manager	3 January 2012
Non-executive		
A Dixon AM	Chairman	
C Sadler	Director	20 April 2012
I Paton (i)	Director	
M Clements (ii)	Joint Company Secretary	

(i) Mr Paton resigned as non-executive director on 7 May, 2012

(ii) Mr Clements ceased to be KMP on 7 September, 2011.

Changes since the end of the reporting period

Mr Phil Thick was appointed to the board as a non-executive director on 11 July 2012.

Remuneration Committee

New Standard has adopted a Remuneration Committee as a sub-committee of the Board. The Remuneration Committee is responsible for oversight of the remuneration policy and system and reporting of such to the Board. It is also responsible for evaluating the performance of the Executive Directors and monitoring performance of the executive management team. The Board, upon recommendation of the Remuneration Committee, determines the remuneration of the Executive Directors and approves the remuneration of the executive management team.

The objective of the Remuneration Committee is to ensure that remuneration policies and systems attract and retain executives and directors who will create value for shareholders. As part of this process the Remuneration Committee may seek advice from independent remuneration consultants. During the 2012 financial year the Remuneration Committee made use of available consultants (see below for details).

The Corporate Governance Statement provides further information on the role of this committee.

Use of Remuneration Consultants

To ensure the remuneration committee is fully informed when making remuneration decisions, it may seek external remuneration advice. Any such advice is usually from independent sources with some expertise in their relevant field and that are sufficiently independent to allow independent and un-biased advice to be provided to the Remuneration Committee.

During the 2012 financial year the Remuneration Committee engaged the services of the following consultants:

- PJ Kinder Consulting Pty Ltd was engaged to provide advice in relation to executive director remuneration packages and non-executive director and Board committee fees. Under the terms of the engagement, PJ Kinder Consulting Pty Ltd provided remuneration recommendations and was paid $11,500 for these services.

During the year the Company experienced a large amount of growth in terms of both size and staffing structure. As a result the Executive Management team and the Board formed the view that the incumbent remuneration structure that was in place during the 2012 Financial Year had been outgrown and a review of the remuneration policy and structure was warranted to ensure the Company was in line with best practice to assist secure and retain quality staff.

As a result the Godfrey Remuneration Group Pty Ltd (Godfrey) were engaged post 30 June 2012 to review the structure of the Company's remuneration components, advise on the policy positioning objectives and to provide recommendations in respect of executive long-term incentive plan design. In addition Godfrey provided their 2012 resources KMP remuneration guide. Under the terms of the engagement, Godfrey was paid $55,715 for these services.

In order to ensure the Remuneration Committee is provided with advice, and as required, remuneration recommendations, free from undue influence by members of the KMP to whom the recommendations may relate, the engagement of the above consultants by the remuneration committee was based on an agreed set of protocols that would be followed by each external remuneration consultant, members of the remuneration committee and members of KMP. Those protocols included:

- external remuneration consultants were engaged by, and reported directly to, the Remuneration Committee. The agreement for the provision of remuneration consulting services was executed by a member of the Remuneration Committee under delegated authority on behalf of the board.
- reports containing the remuneration recommendations are provided directly to the Remuneration Committee; and
- external remuneration consultants were permitted to speak to management throughout the engagement to understand company processes, practices and other business issues and obtain management perspectives. However, the external remuneration consultants were prohibited from providing advice or recommendations to KMP before the advice or recommendations was given to members of the Remuneration Committee and not in any case unless the external remuneration consultants had approval to do so from members of the Remuneration Committee.

As a consequence, the board is satisfied that the recommendations were made free from undue influence from any members of the KMP.

Voting and comments made at the Company's 2011 Annual General Meeting

New Standard received less than 2% of 'no' votes on its Remuneration Report for the 2011 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices, however, as outlined above an independent review has been commissioned to ensure that as the Company grows and experiences increased staffing levels to manage the scale of it.

Remuneration Policy

New Standard is committed to the close alignment of remuneration to shareholder return, particularly that of the executives. To this end, the Company's remuneration system is designed to attract, motivate and retain people by identifying and rewarding high performers and recognising their contribution to the continued growth and success of the Company.

Key objectives of the Company's remuneration policy are to ensure that remuneration practices:

- facilitate the achievement of the Company's objectives;
- provide strong linkage between executive incentive rewards and creation of value for shareholders;
- attract, retain and motivate employees of the required capabilities;
- are simple to understand and implement, openly communicated and are equitable across the Company; and
- comply with applicable legal requirements and appropriate standards of governance.

Developments for 2012 Financial Year – A Revised Remuneration Structure on its Way for 2013

The Company has undergone considerable corporate and commercial change during the financial year and this has been reflected in the changes to the Company's remuneration policy and practices.

In conjunction with remuneration specialist Godfrey the Company commenced a major review of the structure of the Company's remuneration components during the 2012 financial year. This review is ongoing and yet to be finalised but Godfrey's advice has provided guidance and assisted to design a revised remuneration system to ensure the continued ability of the Company to attract and retain people of the required capability. As a result the Company is currently in the process of finalising the development and implementation of a revised remuneration policy and structure that it intends to implement for the 2013 financial year.

Whilst still incomplete it is currently envisaged that this revised remuneration policy and structure will reflect the following broad remuneration practices to ensure Policy target remuneration package positioning:

- A performance based remuneration system;
- A Short-Term Incentive Plan ("STIP") with performance criteria assigned for both individual and Company performance; and
- A Long-Term Incentive Plan ("LTIP") utilising Quantum Rights consisting of Performance Rights with performance hurdles linked to absolute total shareholder return ("TSR") and Retention Rights linked to tenure.

Key Principles of Executive Remuneration

Remuneration comprises fixed remuneration, and variable (or 'at-risk') remuneration, which is determined by individual and Company performance. The Company targets total fixed remuneration ("TFR") at the 50th market percentile and total remuneration package ("TRP"), including 'at target' variable remuneration, at the 75th market percentile, for the executive management team. As a consequence, the Company's executives have a higher proportion of remuneration at risk than industry averages.

Questions and answers about intended executive remuneration under the remuneration structure being revised are set out below, noting these are indicative only and may be subject to change as the revised policy has not been finalised at the date of this report:

Remuneration mix

What is the balance between fixed and 'at risk' remuneration?	The mix of fixed and at-risk remuneration varies depending on the organisational level of executives, and also depends on the performance of the Company and individual executives. More senior positions have a greater proportion of their remuneration at-risk. If overall Company performance fails to meet a minimum standard, no executives will be entitled to receive any at-risk remuneration. For all executives, it is therefore possible that no at-risk remuneration will be earned and that fixed remuneration will represent 100 per cent of total remuneration.

Fixed remuneration

What is included in fixed remuneration?	TFR includes a base salary plus superannuation. Allowances and other benefits may be provided and are as agreed, including leased motor vehicles and additional superannuation, provided that no extra cost is incurred by the Company. In order to attract and retain people of the requisite capability to key roles located in regional positions, an additional market allowance or other similar tax effective structure may be paid. Any such market allowance, while fixed in nature, would not generally form part of TFR for the purposes of calculating at-risk remuneration entitlements.
When and how is fixed remuneration reviewed?	TFR is reviewed annually. Any adjustments to the TFR for the Executive Directors must be approved by the Board after recommendation by the Remuneration Committee. The Executive Directors determine the TFR of other senior executives within the guidelines of the remuneration policy. The Company seeks to position the fixed remuneration at the 50th percentile of salaries for comparable companies within the energy industry, utilising datasets and specific advice provided by independent remuneration consultants.

STIP

What is the STI Plan?	The STI is the cash component of the at-risk remuneration, payable based on a mix of Company and individual annual performance standards.
Why does the Board consider an STI is appropriate?	At-risk remuneration strengthens the link between pay and performance. The purpose of these programs is to rewards executives for annual performance relative to expectations of their role accountabilities, required behaviours and KPI's as well as the delivery of annual business plans. A reward structure that provides at-risk remuneration is also necessary as a competitive remuneration package in the Australian and global marketplace for executives.
Does the STI take into account different levels of performance compared to objectives?	The size of any payment is linked to the extent of achievement. Levels of performance required for target levels of STI should be set such that they are challenging but achievable. Required performance levels for each performance criteria are set at three levels being: • Threshold - A performance level that is below optimal but nevertheless acceptable. It is the minimum for which a small STI award would be payable. The STI Plan is designed such that there is an 80% probability the executive will achieve or exceed this level of achievement. • Target - A performance level that represents a challenging but achievable level of performance. The STI Plan is designed such that there is a 50% to 60% probability the executive will achieve or exceed this level of achievement. • Stretch - A performance level that is clearly at the upper limit of what may be achievable. The STI Plan is designed such that there is a 10% to 20% probability the executive will achieve or exceed this level of achievement. The probabilities of achievement are set at these levels such that, over time, awards approximately equal to the target level would become payable, assuming performance to role. The achievement of this target level of award would support 75th percentile total remuneration package policy objective for executives.
What are the performance criteria?	Performance criteria are assigned for both individual and Company performance and may vary from year to year. Reflecting the importance attached to role clarity within New Standard, Individual Performance Criteria will be drawn directly from the role accountabilities in the participant's role description and demonstrated adherence to New Standard's values. Corporate performance criteria are set at the commencement of each financial year and may vary from time to time to include other aspects of performance for which there is shared accountability and which the Company wishes to emphasise. Each performance criteria may be allocated a weighting for each year that reflects the relative importance of each performance criteria for the year.
What is the value of the STI award opportunity?	Executive Directors and other executives have a target STI opportunity of 10% of TFR, with a minimum opportunity (if only threshold level is met) of 5% and a maximum opportunity (if the stretch targets are achieved) of 20% of TFR. These percentages are set based on external advice to achieve the remuneration policy intent of 75th percentile total remuneration package market positioning.
How is STI assessed?	Individual performance criteria - are assessed using a performance rating scale. In making the assessment in respect of a particular area of accountability, consideration is given to the extent to which the behaviours and performance indicators identified in the role description have been modelled and observed. This assessment is undertaken by the participant's manager and then signed-off by the manager-once-removed. In the case of the Executive Directors, the assessment is undertaken by the Remuneration Committee and approved by the Board. Corporate performance criteria – the Board and/or the Executives will determine the extent to which each corporate performance criteria has been achieved.

LTIP

What is the LTI Plan (LTIP)?

The LTIP is the equity component of at-risk remuneration and is linked to the Company's TSR performance over a 3 year period.

The LTIP aims to reward participants for New Standard's TSR performance in absolute terms such that LTI awards only become valuable to the recipient upon achievement of absolute TSR hurdles as set by the Remuneration Committee.

How often are LTIP awards made?

The LTIP operates on the basis of a series of cycles. Each cycle commences on 15 September and is followed by a 3 year performance period, with a test date on the 3rd anniversary of the commencement of the cycle. As a result, the LTIP awards may occur annually with the first cycle of the LTIP scheduled to begin on 15 September 2012.

Why does the Board consider an LTIP is appropriate?

The Company believes that a LTIP can:

- attract executives with the requisite capability;
- retain key talent;
- maintain a stable leadership team; and
- explicitly align and link the interests of New Standard's leadership team and shareholders.

What types of equity may be granted under the LTIP?

Under the LTIP both Performance Rights and Retention Rights may be granted to eligible participants as a percentage of TFR as outlined in the table below.

Role	Target Retention LTI %	Target Performance LTI %	Total LTI %
Managing Director	0%	90%	90%
Direct Reports	20%	40%	60%

All rights are a right granted to acquire one share in New Standard, subject to satisfying either performance or retention criteria that will be established and agreed from time to time.

A participant is not entitled to participate in or receive any dividends or other shareholder benefits until the right has vested and a share has been allocated and transferred to the participant.

Was a grant made during the 2012 Financial Year?

No – the remuneration structure in place for 2012 incorporated the historical Share Purchase Plan as approved by shareholders at the Annual General meeting dated 26 November 2010.

The intention is to finalise an LTIP as part of a broader remuneration review based on recommendations being provided by Godfrey following the independent review commissioned post 30 June 2012. At this stage it is envisaged that the LTIP will involve Quantum Rights and an allocation will be agreed for eligible LTIP participants for the cycle commencing 15 September 2012. Any such awards that may involve allocations to Executive Directors will be put before the shareholders at the 2012 Annual General Meeting.

What are the LTIP performance conditions?

The Company uses absolute TSR as the sole LTIP performance criteria to determine the proportion of Performance Rights which vest.

The Board considers that absolute TSR is an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is linked to shareholder value and ensures that participants only receive a benefit where there is a corresponding direct benefit to shareholders.

Absolute TSR performance rights

The proportion of Absolute TSR Performance Rights which vest will be determined on the basis of New Standard's TSR on the following scale:

New Standard 3-year TSR	Percentage of absolute TSR performance rights that vest
Less than 33%	Nil
33%	25%
Between 33% and 52%	Pro rata between 25% and 50%
52%	50%
>52% and <73%	Pro rata between 50% and 100%
73% or greater	100%

What are the LTIP Retention conditions?

The Company uses a retention period of 3 years as the standard benchmark for vesting of Retention Rights.

What happens to Quantum Rights granted under the LTIP when an executive ceases employment?	Where an executive who holds Quantum Rights ceases to be employed by a Group member (and is not immediately employed by another Group member) for any reason other than a qualifying reason, all unvested Quantum Rights of that participant are automatically forfeited. Where an eligible employee who holds Quantum Rights ceases to be employed by a Group member because of a qualifying reason, then the Board must determine, in its absolute discretion, the number of unvested Quantum Rights of a participant (if any) that will remain on foot and become capable of vesting in accordance with LTIP rules. The Board will generally exercise its discretion in the following manner: • Quantum Rights granted in the cycle beginning on the 15 September immediately prior to the participant ceasing to be employed by a Group member will be forfeited in the same proportion as the remainder of the cycle year bears to the full year; and • all other Quantum Rights that are not forfeited on the participant ceasing to be employed by a Group member will continue to be held by the participant and will be tested for vesting on the test date for the relevant Quantum Right. Qualifying reasons include but are not limited to death, total and permanent disablement, retirement or redundancy.
What happens in the event of a change of control?	In the event of a change of control, all issued Quantum rights will immediately fully vest.

Executive Remuneration Outcomes for 2012

Whilst a lot of work has been done to revise the remuneration policy and structure, the 2012 Executive remuneration pertains to the existing structure that has been in place for the past 3 years following shareholder approval received at the Annual General meeting on 26 November 2010. As outlined previously, the 2012 remuneration structure is currently under review and revision but, for the sake of clarity, the following is a summary of the existing remuneration structure which has given rise to the 2012 incentive awards.

As part of each Executive's remuneration package there is a short term incentive (STI) based component of up to 20% of base salary payable in cash each year. The Remuneration Committee considers the appropriate targets and key performance indicators (KPIs) to link the STI plan and the level of payout if targets are met. This includes setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STI. The intention is to facilitate goal congruence between Executives with that of the business and shareholders.

For the year ended 30 June 2012, the KPIs linked to STI plans were based on capital management, partner, contractor and stakeholder relations, resource base and asset management, office and employee operations, management of technical team and database and corporate governance, weighted depending on the accountabilities of the role and impact on the Group's performance.

The Remuneration Committee is responsible for assessing whether the KPIs are met. To help make this assessment, the committee utilises the assistance of external remuneration consultants. The STI target annual payment is reviewed annually. The Remuneration Committee has assessed that the KPI's for the year ended 30 June 2012 had been achieved or substantially achieved. Executives are entitled to a cash bonus for the year ended 30 June 2012 of $203,315 representing up to 20% of the executive's base salary. The financial statements as at 30 June 2012 include a provision for this amount.

The Remuneration Committee has the discretion to adjust STI's downwards in light of unexpected or unintended circumstances.

As part of each Executive's remuneration package there is a long term incentive (LTI) based component. The LTI component is up to 30% of the applicable base salary based on the Company's share price performance over the period in both absolute and relative terms. Subject to any necessary shareholder approvals, the LTI component will be payable in shares via the Employee Share Plan.

The LTI component is measured on the following basis:

LTI Item	LTI Weighting %	LTI Benchmark	LTI Amount Due
Absolute Return (Share Price + Dividends)	50%	Company's Shares provide an absolute return of 10% or more over the 12 month period from 1 July to 30 June based on 12 month VWAP	LTI amount will be 1% of base salary for every 1% of absolute return, capped at a maximum of 15% of base salary. Absolute return of <10% will not trigger an LTI Amount under this item.
Relative Return (Share Price + Dividends versus agreed index benchmark)	50%	Company's Shares outperform the S&P/ASX 300 Energy Accumulation Index over the 12 month period from 1 July to 30 June based on 12 month VWAP	1% of base salary for every 1% of outperformance over and above the energy accumulation index, capped at a maximum of 15% of base salary. Relative return of less than the benchmark will not trigger an LTI Amount under this item.

The LTI components have been assessed for the 2012 financial year and the performance hurdles outlined above have been met and exceeded for the period. As a result, and subject to shareholder approval, LTI components equal to the full 30% of base salary will be provided for in the year ended 30 June 2013 for the executive team.

The table below sets out summary information about the Company's assets and share price movements for the period from June 2008 to June 2012:

	30 June 2012 $	30 June 2011 $	30 June 2010 $	30 June 2009 $	30 June 2008 $
Share price	0.535	0.19	0.215	0.05	0.24
Total Assets	94,362,875	30,430,324	19,792,879	12,319,396	3,504,671

Short Term Incentives

At the end of 2012, a review of the performance of each executive was undertaken against each of their 2012 individual performance measures as explained above. STI entitlements earned for 2012 performance are accrued in 2012 and paid in the 2013 financial year.

The following table outlines the STI that was earned for the 2012 financial year:

2012	STI Amount $
Executive Directors	
Mr S Willis	59,400
Dr M Hagan	59,220
Key Management Personnel	
Mr M Gracey	40,500
Mr D Hansen-Knarhoi	29,195
Mr P Achour	15,000
Mr B Walker	Ineligible
Total	203,315

Long Term Incentives

The following table outlines the LTI shares issued to Executive Directors and KMP in the 2012 financial year via interest free non-recourse loans pursuant to the Employee Share Plan as approved by shareholders at the Annual General Meeting dated 26 November 2010:

	Shares				
2012	Number	Loan Amount ($)	Vested @ 30 June 2012	Forfeited	Nature of Shares
Executive Directors					
Mr S Willis	234,898	72,000	100%	0%	Ordinary Shares
Dr M Hagan	234,898	72,000	100%	0%	Ordinary Shares
Key Management Personnel					
Mr M Gracey	77,786	25,000	100%	0%	Ordinary Shares
Total	547,582	169,000			

The terms and conditions of the Employee Share Plan and associated loans are set out in Note 27.

The remuneration for each Executive Director and KMP of the Company for the years ending 30 June 2011 and 2012 was as follows:

2012	Salary $	Cash bonus(i) $	Super-annuation $	Share Based Payments-Options(ii) $	Share Based Payments-LTI Shares(iii) $	Total $	Value of options as proportion of remuneration %	Proportion performance related %
Executive Directors								
Mr S Willis	307,293	129,400	33,326	518,436	30,464	1,018,919	51%	16%
Dr M Hagan	272,328	129,220	-	358,592	30,464	790,604	45%	20%
Key Management Personnel								
Mr M Clements	12,450	-	-	-	-	12,450	-	-
Mr M Gracey	206,422	65,500	22,342	237,469	11,210	542,942	39%	14%
Mr D Hansen-Knarhoi	150,125	29,195	13,511	88,155	-	280,987	31%	10%
Mr P Achour	68,286	15,000	6,146	24,393	-	113,824	21%	13%
Mr B Walker	41,881	-	3,769	30,820	-	76,470	40%	-
Total	1,058,785	368,315	79,094	1,257,865	72,138	2,836,197	43%	16%
2011								
Executive Directors								
Mr S Willis	240,000	93,600	-	-	-	333,600	-	28%
Dr M Hagan	240,000	91,764	-	-	-	331,764	-	28%
Key Management Personnel								
Mr M Clements	83,750	-	-	-	-	83,750	-	-
Mr M Gracey	84,098	16,667	7,568	10,546	-	118,879	8%	14%
Total	647,848	202,031	7,568	10,546	-	867,993	1%	24%

Notes

(i) During the period, Mr Willis and Dr Hagan were each paid a discretionary cash bonus of $70,000, and Mr Gracey was paid a discretionary cash bonus of $25,000. These bonuses were tied to the successful completion of a major farmout agreement with ConocoPhillips to jointly explore the Company's flagship Goldwyer project in the Canning Basin, which has added significant shareholder value.

The remaining cash bonuses have been accrued at 30 June 2012 as STI amounts resulting from KPI achievements for the year ended 30 June 2012. Bonus payments are pro-rated for KMP who commenced part way through the year.

(ii) The amounts included under Share Based Payments for options are non-cash items that are subject to vesting conditions and not freely tradeable.

In the year ending 30 June 2012, options were granted to Mr Willis, Dr Hagan, Mr Gracey and Mr Hansen-Knarhoi as approved by shareholders on 30 November 2011. The options were issued as a tool to incentivise high quality executive personnel and help align the long term interests of management and shareholders. The pro-rata value of these options for the year ended 30 June 2012, using the Black-Scholes options pricing model, was $518,436, $358,592, $209,357 and $88,155 respectively.

Mr Achour was granted options in the year ended 30 June 2012, in accordance with his employment contract. The pro-rata value of these options for the year ended 30 June 2012, using the Black-Scholes options pricing model, was $24,393.

Mr Walker was granted options in the year ended 30 June 2012, in accordance with his employment contract. The pro-rata value of these options for the year ended 30 June 2012, using the Black-Scholes options pricing model, was $30,820.

Mr Gracey was granted options in the year ended 30 June 2011, in accordance with his employment contract. The pro-rata value of these options for the year ended 30 June 2012 using the Black-Scholes options pricing model, was $28,112.

(iii) Mr Willis and Dr Hagan's LTI component of their executive consultancy agreements were achieved for the year ended 30 June 2011. As a result the Company allotted and issued a total of 469,796 fully paid ordinary shares (Shares) to each of Mr Willis and Dr Hagan, under the Employee Share Plan (Share Plan) as approved by shareholders on 30 November 2011. The pro-rata value of these share options for the year ended 30 June 2012, using the Black-Scholes options pricing model, was $30,464 each.

Mr Gracey's LTI component of his employment contract was achieved for year ended 30 June 2011. As a result the Company allotted and issued a total of 77,786 fully paid ordinary shares (Shares), to Mr M Gracey under the Employee Share Plan (Share Plan). The pro-rata value of these share options for the year ended 30 June 2012, using the Black-Scholes options pricing model, was $11,210.

New Standard has provided interest free limited recourse loans for the full amounts to purchase these Shares on the terms set out in the Share Plan (Loan), and the loans are repayable in full by 31 December 2013 (Loan Repayment Date). As set out in the Share Plan, all or part of the Loan may be repaid prior to the Loan Repayment Date. The issued Shares are subject to certain restrictions, including restrictions on transfer until the Loan is repaid in full. In addition, the Loan must be repaid early in certain circumstances as set out in the Share Plan

Non-executive remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. Fees paid to non-executive directors are recommended by the Remuneration Committee and the Board is responsible for ratifying any recommendations, if appropriate. As approved at the Annual General Meeting on 26 November 2010, the aggregate limit of fees payable per annum is $400,000 in total.

All directors have their indemnity insurance paid by the Company.

Non-executive directors' receive a fixed fee remuneration consisting of a cash fee and statutory superannuation contributions made by the company and additional fees for committee roles as set out below:

	2012
Base fees	
Chairman	66,000
Other non-executive directors	55,000
Additional fees	
Company secretarial services	43,802

Non-Executive remuneration for the year ended 30 June 2012 and comparative 2011 remuneration:

Non-Executive Director	Salary and fees $	Non-cash benefit $	Superannuation $	Options(ii) $	Total $
2012					
A. Dixon	60,550	-	5,450	95,906	161,906
C Sadler (i)	9,811	-	883	-	10,694
I Paton	45,833	-	-	-	45,833
Total	116,194	-	6,333	95,906	218,433
2011					
A Dixon	11,000	-	-	-	11,000
I Paton	100,637	-	-	-	100,637
Total	111,637	-	-	-	111,637

(i) Appointed 20 April 2012

(ii) The fair value of options is calculated at the date of grant using the Black-Scholes option pricing model and recognised over the period in which the minimum service conditions are fulfilled (the vesting period).

Equity Instruments

Options

The terms and conditions for each grant of options affecting remuneration in the previous, this or future reporting periods are as follows. Options are exercisable on a one for one basis.

Directors and Key Management Personnel	Grant date	Number of Options granted	Exercise Price of Options $	Expiry Date of Options	Vesting Date	Vested & Exercisable	Vested	Exercised	Value at exercise date $	Lapsed without exercise	Value per option at grant date $	Value of options at grant date $
Mr A Dixon	20/12/2011	450,000	0.385	20/12/2014	20/06/2012	450,000	100%	-	-	-	0.156	70,031
	20/12/2011	300,000	0.430	20/12/2014	20/12/2012	-	-	-	-	-	0.148	44,340
Mr S Willis	18/07/2008	2,625,000	0.225	30/06/2012	08/08/2009	2,625,000	100%	2,625,000	774,375	-	0.098	256,725
	18/07/2008	2,625,000	0.275	30/06/2012	08/08/2009	2,625,000	100%	2,625,000	643,125	-	0.087	227,850
	20/12/2011	2,500,000	0.385	20/12/2014	20/06/2012	2,500,000	100%	-	-	-	0.156	389,060
	20/12/2011	1,500,000	0.430	20/12/2014	20/12/2012	-	-	-	-	-	0.148	221,701
Dr M Hagan	18/07/2008	3,625,000	0.225	30/06/2012	08/08/2009	3,625,000	100%	3,625,000	1,069,375	-	0.098	354,525
	18/07/2008	3,625,000	0.275	30/06/2012	08/08/2009	3,625,000	100%	3,625,000	888,125	-	0.087	314,650
	20/12/2011	1,750,000	0.385	20/12/2014	20/06/2012	1,750,000	100%	-	-	-	0.156	272,342
	20/12/2011	1,000,000	0.430	20/12/2014	20/12/2012	-	-	-	-	-	0.148	147,800
Mr I Paton	18/07/2008	250,000	0.225	30/06/2012	08/08/2009	250,000	100%	250,000	60,000	-	0.098	24,450
	18/07/2008	250,000	0.275	30/06/2012	08/08/2009	250,000	100%	250,000	47,500	-	0.087	21,700
	3/12/2009	750,000	0.225	30/06/2012	03/12/2009	750,000	100%	750,000	48,750	-	0.062	46,827
	3/12/2009	750,000	0.275	30/06/2012	03/12/2009	750,000	100%	750,000	286,250	-	0.058	43,774
Mr M Gracey	29/03/2011	250,000	0.225	30/06/2013	01/02/2012	250,000	100%	-	-	-	0.037	9,345
	29/03/2011	250,000	0.225	30/06/2013	01/08/2012	-	-	-	-	-	0.052	12,940
	29/03/2011	250,000	0.275	30/06/2013	01/02/2012	250,000	100%	-	-	-	0.029	7,127
	29/03/2011	250,000	0.275	30/06/2013	01/08/2012	-	-	-	-	-	0.043	10,742
	20/12/2011	1,100,000	0.385	20/12/2014	20/06/2012	1,100,000	100%	-	-	-	0.147	161,515
	20/12/2011	650,000	0.430	20/12/2014	20/12/2012	-	-	-	-	-	0.139	90,479
Mr D Hansen-Knarhoi	20/12/2011	450,000	0.385	20/12/2014	20/06/2012	450,000	100%	-	-	-	0.147	66,074
	20/12/2011	300,000	0.430	20/12/2014	20/12/2012	-	-	-	-	-	0.139	41,759
Mr P Achour	24/04/2012	150,000	0.810	24/04/2015	24/10/2012	-	-	-	-	-	0.301	45,170
	24/04/2012	150,000	0.905	24/04/2015	24/04/2013	-	-	-	-	-	0.285	42,792
Mr B Walker	09/05/2012	300,000	0.535	09/05/2015	09/05/2013	-	-	-	-	-	0.270	80,965
	09/05/2012	300,000	0.600	09/05/2015	09/05/2014	-	-	-	-	-	0.257	76,969

All options were issued for nil consideration.

Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Refer to note 5 to the Consolidated Financial Statements for further details.

Value at exercise date is calculated as the underlying share price at the exercise date less the exercise price of the option, multiplied by the number of options exercised.

Executive Service Agreements

The employment arrangements of the KMPs are formalised in standard employment agreements. It is the Group's policy that employment contracts with KMP, with the exception of the Managing Director, are unlimited in term but capable of termination on three months written notice (or payment in lieu thereof).

The Board determined the amount of compensation payable to KMP under each agreement and these compensation levels are reviewed annually in conjunction with independent advice where deemed appropriate.

The following Agreements were in place at 30 June 2012:

Mr S Willis is subject to an employment agreement based upon the following terms;

(i) Annual salary of $330,000 inclusive of superannuation.
(ii) A short term incentive cash bonus of up to 20% of annual salary subject to achievement of agreed upon KPI's.
(iii) A long term incentive share component of up to 30% of annual salary based upon achievement of relative and absolute share price performance.
(iv) 12 week notice period of termination of employment agreement. If the company terminates the employment contract it is required to make a termination payment of up to 9 months pay.

Mr M Hagan is subject to a consultancy agreement based upon the following terms;

(i) Annual fees of $329,000 invoiced monthly.
(ii) A short term incentive cash bonus of up to 20% of annual salary subject to achievement of agreed upon KPI's.
(iii) A long term incentive share component of up to 30% of annual salary based upon achievement of relative and absolute share price performance.
(iv) 12 week notice period of termination of consultancy agreement.

Mr M Gracey is subject to an employment agreement based upon the following terms;

(i) Annual salary of $225,000 inclusive of superannuation.
(ii) A short term incentive cash bonus of up to 20% of annual salary subject to achievement of agreed upon KPI's.
(iii) A long term incentive share component of up to 30% of annual salary based upon achievement of relative and absolute share price performance.
(iv) 12 week notice period of termination of employment agreement.

Mr D Hansen-Knarhoi is subject to an employment agreement based upon the following terms;

(i) Annual salary of $200,000 inclusive of superannuation.
(ii) A short term incentive cash bonus of up to 20% of annual salary subject to achievement of agreed upon KPI's.
(iii) A long term incentive share component of up to 30% of annual salary based upon achievement of relative and absolute share price performance.
(iv) 12 week notice period of termination of employment agreement.

Mr P Achour is subject to an employment agreement based upon the following terms;

(i) Annual salary of $150,000 inclusive of superannuation.
(ii) A short term incentive cash bonus of up to 20% of annual salary subject to achievement of agreed upon KPI's.
(iii) A long term incentive share component of up to 30% of annual salary based upon achievement of relative and absolute share price performance.
(iv) 12 week notice period of termination of employment agreement.

Mr B Walker is subject to an employment agreement based upon the following terms;

(i) Annual salary of $330,000 inclusive of superannuation.
(ii) A short term incentive cash bonus of up to 20% of annual salary subject to achievement of agreed upon KPI's.
(iii) A long term incentive share component of up to 30% of annual salary based upon achievement of relative and absolute share price performance.
(iv) 12 week notice period of termination of employment agreement.

End of audited Remuneration Report

This Report of Directors, incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors.

Arthur Dixon AM
Chairman

Dated: 19 September 2012

Director's Declaration

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the consolidated entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards; and

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

Arthur Dixon AM
Non-Executive Chairman

19 September 2012

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board of New Standard is a strong advocate of corporate governance. The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (Recommendations) where considered appropriate for company of New Standard's size and nature.

This document describes how New Standard has addressed the Council's guidelines and eight corporate governance principles.

Principle 1 – Lay solid foundations for management and oversight "Companies should establish and disclose the respective roles and responsibilities of the Board and Management"

The main function of the Board is to set strategic objectives for the company, supervising and guiding management through the implementation process. The aim is for the Board to provide the entrepreneurial leadership required for the Company to evolve within a framework of prudent and effective risk management.

New Standard has adopted a formal board charter delineating the roles, responsibilities, practices and expectations of the Board collectively, the Individual directors and senior management.

The Board of New Standard ensures that each member understands its roles and responsibilities and ensures regular meeting so as to retain full and effective control of the Company.

The Board specifically emphasises on the following:

- Setting the strategic aims of New Standard and overseeing management's performance within that framework;
- Making sure that the necessary resources (financial and human) are available to the company and its senior executives to meet its objectives;
- Overseeing management's performance and the progress and development of the company's strategic plan;
- Selecting and appointing a suitable Chief Executive Officer/Managing Director with the appropriate skills to help the Company in the pursuit of its objectives;
- Determining the remuneration policy for the Board and Key Management Personnel;
- Controlling and approving financial reporting, capital structures and material contracts;
- Ensuring that a sound system of risk management and internal controls is in place;
- Setting the Company's values and standards;
- Undertaking a formal and rigorous review of the Corporate Governance policies; to ensure adherence to the ASX Corporate Governance Council principles;
- Ensuring that the Company's obligations to shareholders are understood and met;
- Ensuring the health, safety and well-being of employees in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to assure the well-being of all employees; and
- Ensuring an adequate system is in place for the proper delegation of duties for the effective operative day to day running of the Company without the Board losing sight of the direction that the Company is taking.

Principle 2 – Structure the Board to add value "Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties"

The Board has been structured so as to provide an adequate mix of proficient directors that lead the Board with enterprise, integrity and judgement. The Board acts in the best interest of the Company and its stakeholders. The Board is directed on the principles of transparency, accountability and responsibility.

The ASX Corporate Governance Council guidelines recommend that ideally the Board should constitute of a majority of independent directors. The Board consists of five directors of whom three are considered independent. The remaining directors do not meet the Company's criteria for independence.

Given the size and nature of the Company the Board feels the composition of the Board is appropriate at this stage. The Board endeavours to review this policy from time to time.

Principle 3 – Promote ethical and responsible decision-making
"Actively promote ethical and responsible decision-making"

New Standard is aware that law and regulations alone are no guarantee of fair practice and thus to ensure the integrity of its operations, it has adopted a code of ethics and conduct to sustain its corporate culture.

New Standard's ethical rules demand high standards of integrity, fairness, equity and honesty from all Directors and Key Management Personnel and Employees. New Standard expects its employees to understand that the Company acts morally and that the main goal of the Company is to maximise shareholders value.

The Code of Ethics and Conduct include the following issues:

- The avoidance of conflicts of interest;
- Employees behaviour towards the use of Company property;
- Confidentiality;
- Fair dealing with customers, suppliers, employees and competitors;
- Protection and proper use of the Company's assets;
- Compliance with laws and regulations;
- Encouraging the reporting of illegal and unethical behaviour;
- Provide a framework for the Company to achieve a diverse and skilled workforce.

Diversity Policy

The Board is committed to having an appropriate blend of diversity on the Board and in all areas of the Group's business. The Board has established a policy regarding gender, age, ethnic and cultural diversity. Details of the policy are available on the Company's website.

The Company and all its related bodies corporate are committed to workplace diversity.

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's *Principles and Recommendations*.

The Diversity Policy does not form part of an employee's contract of employment with the Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the Company with which an employee is expected to comply.

The key objectives of the Diversity Policy are to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity,

(collectively, the Objectives).

The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

Diversity Reporting

The Group's gender diversity as at the end of the reporting period is as follows:

	30 June 2012				30 June 2011			
	Female		Male		Female		Male	
Gender representation	No	%	No	%	No	%	No	%
Board representation	-	-	4	100	-	-	4	100
Group representation	8	33	16	67	2	17	10	83

The following senior positions within the Group are currently held by female employees:

- Human Resources Manager; and
- Senior Geologist.

The Company's proposed diversity objectives for the 2013 financial year are as follows:

(i) Appointment of a diversity officer to:

  (a) assess and proactively monitor gender diversity at all levels of the Company's business and report to the Board; and

  (b) assess and monitor the implementation and effectiveness of the Company's diversity initiatives and programs.

(ii) Update recruitment policies and procedures to reflect the Company's position on diversity;

(iii) Undertake an annual review of maternity and paternity leave and flexible working arrangements to ensure roles are appropriate to maintain career development.

Principle 4 – Safeguard integrity in financial reporting
"Have a structure to independently verify and safeguard the integrity of the Company's financial reporting"

New Standard has a financial reporting process which includes half year and full-year results which are signed off by the Board before they are released to the market.

The Audit Committee has been developed as per the guidelines of good corporate governance and its responsibilities are delineated in the Audit Committee Charter.

The Audit Committee provides assistance to the Board of directors in fulfilling its corporate governance and oversight responsibilities, as well as advise on the modification and maintenance of the Company's financial reporting, internal control structure, external audit functions, and appropriate ethical standards for the management of the Company.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

The CFO reports in writing on the propriety of compliance on internal controls and reporting systems and ensures that they are working efficiently and effectively in all material respects.

The Committee also advises on the modification and maintenance of the Company's risk management systems, the Company's risk profile, compliance and control and an assessment as to their effectiveness.

Principle 5 – Make timely and balanced disclosure
"Promote timely and balanced disclosure of all material matters concerning the Company"

New Standard has adopted a formal policy dealing with its disclosure responsibilities. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The policy also addresses the Company's obligations to prevent the creation of a false market in its securities. New Standard ensures that all information necessary for investors to make an informed decision is available on its website.

The Managing Director has ultimate authority and responsibility for approving market disclosure which, in practice, is exercised in consultation with the Board and Company Secretary.

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX.

In addition, the Board will also consider whether there are any matters requiring continuous disclosure in respect of each and every item of business that it considers.

Principle 6 – Respect the rights of shareholders
"Respect the rights of shareholders and facilitate the effective exercise of those rights"

New Standard is aware that regular and constructive two-way communications between the Company and its shareholders can help investors understand what the Board of Directors is planning to achieve and how the Company intends to set about achieving its objectives.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company is committed to:

- communicating effectively in a timely and accurate way with shareholders through releases to the market via ASX, website communication, Annual Reports, the general meetings of the Company and any information mailed to shareholders;
- sending a notice of any general meetings to which they are entitled to attend together with an explanatory memorandum of proposed resolutions (as appropriate). If shareholders cannot attend the General Meeting, they are entitled to lodge a proxy in accordance with the Corporations Act and the Company's Constitution.
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The address made by the Chairman and/or the Managing Director to the Annual General Meeting is released to the ASX. All ASX announcements are accessible via the Company's website.

Principle 7 – Recognise and Manage Risk
"Companies should establish a sound system of risk oversight and management and internal control"

New Standard's policy is to regularly review processes and procedures to ensure the effectiveness of its internal systems control, so as to keep the integrity and accuracy of its reporting and financial results at a high level at all times. Internal controls are devised and enforced to ensure, as far as practicable in the given circumstances, the orderly and efficient conduct of the business. They include measures to safeguard the assets of the Company, prevent and detect fraud and error, ensure the accuracy and completeness of accounting records and ensure the timely preparation of reliable financial information.

The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of five (5) members, the Company does not have a Risk Management Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

The Managing Director and CFO are required to state to the Board, in writing, that to the best of their knowledge the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which operates efficiently and effectively in all material respects.

The Managing Director, Technical Director and CFO are also required to report monthly to the Board on the areas they are responsible for, including material business risks and provide an annual written report to the Board summarizing the effectiveness of the companies' management of material business risks.

Principle 8 – Remunerate fairly and responsibly
"Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear"

The Company is committed to remunerating its executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders.

Consequently, the Board ensures that executive remuneration follows the guidelines of good governance and the criteria for remuneration are as follows:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- participation in any securities incentive scheme with thresholds approved by shareholders;
- statutory superannuation.

New Standard has devised a framework for remuneration that aligns the interest of the Company's shareholders with that of the Board and Key Management Personnel. The aim is to make the structure agreeable to both parties. The elements of consideration are as follows:

For the Shareholders:

- They should see that there is an economic profit in the remuneration structure;
- The structure is one that focuses on the continued growth of share price and sustained returns on assets;
- Attracts and retains high calibre Board and Key Management Personnel.

For the Board and Key Management Personnel:

- Their capability and experience should be rewarded;
- The arrangement for reward should be clear and understandable;
- Their active contribution should be rewarded;
- Reward is competitive, tax effective and linked with growth in shareholder value.

New Standard is committed in providing the right remuneration structure so that Board and Key Management Personnel are not unaware to shareholder value. The structure provides long and short term incentive designed to retain and motivate Board and Key Management Personnel in bringing more value to the Company.

A summary of how the Company has addressed it's compliance with the corporate governance principles and recommendations is outlined below:

Principle No.	Recommendation	Compliance	Reason for Non-compliance
1.	Lay solid foundations for management and oversight		
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	The Board has adopted a formal charter setting out the responsibilities of the Board. This charter can be accessed at: www.newstandard.com.au. Any functions not reserved for the Board and not expressly reserved for members by the Corporations Act and ASX Listing Rules are reserved for senior executives.	Not applicable
1.2	Disclose the process for evaluating the performance of senior executives.	The Board and remuneration committee meets at least once annually to review the performance of executives. The senior executives' performance is assessed against the performance of the company as a whole.	Not applicable
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	A performance evaluation has been completed during the reporting period in accordance with the process detailed in 1.2 above.	Not applicable
2.	Structure the board to add value		
2.1	A majority of the Board should be independent of Directors.	A definition of Director independence can be accessed at www.newstandard.com.au. During the year The Board consisted of two independent Directors and two non-independent Directors. Subsequent to year end, an additional independent director was appointed.	The Company now complies with this recommendation.
2.2	The chair should be an independent Director.	The Chairman is an independent director.	Not applicable
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	New Standard's Chairman and Managing Director is not the same person.	Not applicable
2.4	The Board should establish a nomination committee.	The Board has not established a Nomination Committee.	The Board's Charter clearly establishes that it is responsible for ensuring there is a sound system for overseeing and managing risk. As the whole Board only consists of five (5) members, the Company does not have a Nomination Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.
2.5	Disclose the process for evaluating the performance of the Board, its committee and individual Directors.	The performance evaluation of Non-Executive and Executive Directors occurs by way of a review by the Remuneration Committee which engages independent remuneration consultants for advice.	Not applicable

Principle No.	Recommendation	Compliance	Reason for Non-compliance
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	The skills, experience and expertise relevant to the position held by each Director is disclosed in the Directors' Report which forms part of the Annual Report. The Board now consists of a majority of independent directors. The Directors are entitled to take independent professional advice at the expense of the Company. The period of office held by each Director is disclosed in the Directors' Report which forms part of this Annual Report.	Not applicable
3.	Promote ethical and responsible decision-making		
3.1	Establish a code of conduct and disclose a summary of the code as to: • the practice necessary to maintain confidence in the Company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company has adopted a Board Code of Conduct and a Company Code of Conduct, both of which can be accessed at www.newstandard.com.au.	Not applicable
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company has a diversity policy which can be accessed at www.newstandard.com.au	Not applicable
3.3	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	This information has been disclosed in the Annual Report.	Not applicable
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	This information has been disclosed in the Annual Report.	Not applicable
3.5	Provide the information indicated in the Guide to reporting on Principle 3.	The information has been disclosed in the Annual Report.	Not applicable

Principle No.	Recommendation	Compliance	Reason for Non-compliance
4.	Safeguard integrity in financial reporting		
4.1	The Board should establish an audit committee.	The Board has established an Audit Committee.	Not applicable
4.2	The audit committee should be structured so that it: • consists only of Non-Executive Directors; • consists of a majority of independent Directors; • is chaired by an independent chair, who is not chair of the Board; • has at least three members.	The Audit Committee consists of five members, inclusive of the Joint Company Secretaries, the majority of which are independent non-executive directors and is chaired by an independent non-executive director who is not Chair of the Board. The two Joint Company Secretaries are also members of the Audit Committee.	Due to the size of the Board the Audit Committee does not consist only of non-executive directors.
4.3	The Audit Committee should have a formal charter.	The formal charter can be accessed at www.newstandard.com.au.	Not applicable
4.4	Provide the information in the Guide to reporting on Principle 4.	The information has been disclosed in the Annual Report.	Not applicable
5.	Make timely and balanced disclosure		
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has adopted a Disclosure Policy which can be accessed at www.newstandard.com.au.	Not applicable
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	The information has been disclosed in the Annual Report.	Not applicable
6.	Respect the rights of shareholders		
6.1	Design a communications policy for promoting effective communication with shareholders and encourage their participation at general meetings and disclose that policy or a summary of that policy.	The Company has adopted a Shareholder Communications Policy which can be accessed at www.newstandard.com.au.	Not applicable
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	The information has been disclosed in the Annual Report.	Not applicable

Principle No.	Recommendation	Compliance	Reason for Non-compliance
7.	Recognise and manage risk		
7.1	Establish policies for the oversight and management of material business risk and disclose a summary of those policies.	The Company has adopted a Risk Management Policy which can be accessed at www.newstandard.com.au. This policy outlines the material risks faced by the Company as identified by the Board.	Not applicable
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Managing Director, Technical Director and Chief Financial Officer report monthly to the board on the areas they are responsible for, including material business risks and provide an annual written report to the Board summarising the effectiveness of the companies' management of material business risks.	Not applicable
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board receives assurance in the form of a declaration from the Managing Director and Chief Financial Officer.	Not applicable
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	The information has been disclosed in the Annual Report.	Not applicable
8.	Remunerate fairly and responsibly		
8.1	The Board should establish a Remuneration Committee.	The Board has established a Remuneration Committee.	Not applicable
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director • has at least three members	During the year the Remuneration Committee consisted of four members, including a majority of independent nonexecutive directors and was chaired by an independent non-executive director. Subsequent to year end an additional member was appointed to the Remuneration Committee. The two Joint Company Secretaries are also members of the Remuneration Committee. The Remuneration Committee may seek external advice where appropriate.	Not applicable
8.3	Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives.	The structure of Non-Executive Directors' remuneration is clearly distinguished from that of Executive Directors and Key Management Personnel, as described in the Directors' Report in the Annual Report.	Not applicable
8.4	Companies should provide the information indicated in the guide to reporting on Principle 8.	The information has been disclosed in the Annual Report.	Not applicable

Financial Statements 2012

Auditor's Independence Declaration

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38 Station Street
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PO Box 700 West Perth WA 6872
Australia

19 September 2012

The Directors
New Standard Energy Limited
Level 3, 33 Richardson Street
West Perth WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF NEW STANDARD ENERGY LIMITED

As lead auditor of New Standard Energy Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of New Standard Energy Limited and the entities it controlled during the period.

Peter Toll
Director

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Perth, Western Australia

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEW STANDARD ENERGY LIMITED

Report on the Financial Report

We have audited the accompanying financial report of New Standard Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of New Standard Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) The financial report of New Standard Energy Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of New Standard Energy Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001.*

BDO Audit (WA) Pty Ltd

BDO

Peter Toll
Director

Perth, Western Australia
Dated this 19th day of September 2012

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Revenue from Continuing operations	2	844,077	179,353
Gain on sale of available-for-sale financial assets	3	-	1,491,960
Gain on sale of subsidiary	3	-	33,226
Expenses from Continuing operations			
Administrative expenses		(1,013,121)	(480,894)
Employee benefit expenses		(1,594,229)	(1,051,712)
Occupancy expenses		(138,462)	(135,607)
Depreciation expense		(66,485)	(46,283)
Exploration costs impaired		-	(661)
Unrealised foreign exchange gain/(loss)		5,839	10
Fixed assets impaired		(16,497)	(19,164)
Project expenses		(25,321)	(38,763)
Share based payments		(1,450,301)	(10,546)
Profit/(loss) before income tax expense		(3,454,500)	(79,081)
Income tax (expense)/benefit	4	3,659,629	-
Profit/(loss) attributable to owners of the Parent entity		205,129	(79,081)
Other comprehensive income			
Changes in the fair value of available for sale financial assets		36,476,637	3,675,000
Exchange differences on translation of foreign operations		349,800	(1,507,735)
Deferred tax liability		(13,289,842)	-
Other comprehensive income for the year		23,536,595	2,167,265
Total comprehensive income for the year		23,741,724	2,088,184
Total comprehensive income for the year is attributable to:			
Owners of the Company		23,741,724	2,088,184

		Cents Per Share	Cents Per Share
Earnings/(loss) per Share for profit/(loss) from continuing Operations attributable to the ordinary shareholders of the Company			
Basic earnings/(loss) per share (cents per share)	24	0.08	(0.04)
Diluted earnings/(loss) per share (cents per share)	24	0.07	(0.04)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2012

		Consolidated Entity	
	Note	2012 $	2011 $
Current Assets			
Cash and cash equivalents	22(a)	24,890,855	4,552,777
Available for sale financial assets	8	48,551,637	9,825,000
Trade and Other Receivables	7	1,697,830	651,455
Total Current Assets		75,140,322	15,029,232
Non-Current Assets			
Exploration and evaluation expenditure	9	16,799,094	12,493,737
Development Assets – Oil and Gas properties	10	1,968,020	2,467,248
Property, plant and equipment	11	455,439	111,731
Total Non-Current Assets		19,222,553	15,072,716
Total Assets		94,362,875	30,101,948
Current Liabilities			
Borrowings	13	74,805	13,656
Trade and other payables	12	856,145	1,048,817
Total Current Liabilities		930,950	1,062,473
Non-Current Liabilities			
Deferred Tax Liability	15	9,630,213	-
Borrowings	14	195,967	26,172
Total Non-Current Liabilities		9,826,180	26,172
Total Liabilities		10,757,130	1,088,645
Net Assets		83,605,745	29,013,303
Equity			
Issued capital	16	53,626,937	24,226,520
Reserves	17	32,218,622	7,231,726
Accumulated losses	17(d)	(2,239,814)	(2,444,943)
		83,605,745	29,013,303

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes In Equity

For the year ended 30 June 2012

	Consolidated Entity					
	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Available for Sale Financial Assets Reserve $	Foreign Currency Translation Reserve $	Total $
Equity as at 1 July 2011	24,226,520	(2,444,943)	1,774,034	7,275,000	(1,817,308)	29,013,303
Profit/(loss) for the year	-	205,129	-	-	-	205,129
Unrealised profit/(loss) on translation of foreign operations	-	-	-	-	349,800	349,800
Unrealised gain on available for sale financial assets	-	-	-	36,476,637	-	36,476,637
Deferred Tax Liability	-	-	-	(13,289,842)	-	(13,289,842)
Total comprehensive Income	-	205,129	-	23,186,795	349,800	23,741,724
Transactions with owners in their capacity as owners;						
Issue of shares, net of transaction costs	29,400,417	-	-	-	-	29,400,417
Share based payments	-	-	1,450,301	-	-	1,450,301
Equity as at 30 June 2012	53,626,937	(2,239,814)	3,224,335	30,461,795	(1,467,508)	83,605,745

	Consolidated Entity					
	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Available for Sale Financial Assets Reserve $	Foreign Currency Translation Reserve $	Total $
Equity as at 1 July 2010	16,668,616	(2,365,862)	1,763,489	3,600,000	(309,573)	19,356,670
Profit/(loss) for the year	-	(79,081)	-	-	-	(79,081)
Unrealised loss on translation of foreign operations	-	-	-	-	(1,507,735)	(1,507,735)
Unrealised gain on available for sale financial assets	-	-	-	3,675,000	-	3,675,000
Total comprehensive Income	-	(79,081)	-	3,675,000	(1,507,735)	2,088,184
Transactions with owners in their capacity as owners;						
Issue of shares, net of transaction costs	7,557,904	-	-	-	-	7,557,904
Share based payments	-	-	10,545	-	-	10,545
Equity as at 30 June 2011	24,226,520	(2,444,943)	1,774,034	7,275,000	(1,817,308)	29,013,303

The above consolidated statement of changes of equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2012

	Note	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Cash Flows From Operating Activities			
Interest received		741,745	179,353
Interest Paid		(8,765)	-
Payments to suppliers and employees		(4,159,388)	(1,254,722)
Other income		321,903	-
Net cash provided by/(used in) operating activities	22(b)	(3,104,505)	(1,075,369)
Cash Flows From Investing Activities			
Payments for plant and equipment		(108,529)	(34,362)
Reimbursement of prior exploration expenditure		3,649,874	300,000
Cash receipts offset against development expenditure		1,019,159	1,281,343
Payment for exploration expenditure		(8,267,066)	(6,924,810)
Payments for purchase of equity investments		(2,250,770)	-
Payment for purchase/ proceeds from sale of legal subsidiary net of cash acquired/disposed		-	33,226
Net cash (used in) investing activities		(5,957,333)	(5,344,603)
Cash Flows From Financing Activities			
Proceeds from issue of equity securities		30,825,000	7,947,500
Proceeds from sale of financial assets		-	2,001,960
Repayment of borrowings		(13,652)	-
Payment for share issue costs		(1,424,583)	(389,596)
Net cash flows provided by financing activities		29,386,764	9,559,864
Net (decrease)/increase in cash and cash equivalents		20,324,926	3,139,892
Cash and cash equivalents at beginning of the financial year		4,552,777	1,578,480
Exchange rate adjustments		13,152	(165,595)
Cash and cash equivalents at the end of the financial year	22(a)	24,890,855	4,552,777

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

1. Summary of Accounting Policies

Corporate Information

New Standard Energy Limited (New Standard) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 18 September 2012.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The Company has adopted a new accounting treatment for director and employee loans to align with the guidance provided by the International Financial Reporting Interpretations Committee which considers that the non-recourse nature of such loans, secured against issued shares in the Company should not be recognised in the financial statements until repaid. The effect of the change in accounting policy is that the director and employee loan balance reported at 30 June 2011 of $328,376 secured against 1,269,902 issued shares, has been derecognised during the period ended 30 June 2012.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012.

Principals of Consolidation

(a) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of New Standard Energy Limited ("Company" or "parent entity") as at 30 June 2012 and the results of all subsidiaries for the year then ended. New Standard Energy Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and statement of financial position respectively.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

1. Summary of Accounting Policies (continued)

(c) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cashflows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Impairment of Assets

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the profit or loss.

1. Summary of Accounting Policies (continued)

(f) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

(g) Exploration and Evaluation Expenditure

Exploration for and evaluation of hydrocarbon resources is the search for hydrocarbon resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the hydrocarbon resources. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Company in connection with the exploration for and evaluation of hydrocarbon resources before the technical feasibility and commercial viability of extracting a hydrocarbon resource is demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each ‘area of interest’. An ‘area of interest’ is an individual geological area which is considered to constitute a favourable environment for the presence of a hydrocarbon resource or has been proved to contain such a resource.

Expenditure incurred on activities that precede exploration of hydrocarbon resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

(a) The rights to tenure of the area of interest are current; and

(b) At least one of the following conditions is also met:

- (i) The expenditure is expected to be recouped through the successful development and commercial exploitation of an area of interest, or alternatively by its sale; and
- (ii) Exploration and evaluation activities in the area of interest have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of ‘economically recoverable reserves’ and active and significant operations in, or in relation to, the area of interest are continuing. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling, logging and coring; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the hydrocarbon resource.

General and administrative costs are expensed as incurred.

1. Summary of Accounting Policies (continued)

(h) Development Expenditure

Development expenditure is accumulated in respect of each separate area of interest. Development expenditure relates to costs incurred to access a mineral resource after the technical feasibility and commercial viability of extracting the mineral resource from the area of interest has been demonstrated. Development expenditure related to an area of interest is carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated cost in respect of that area is written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated cost written off to the extent that they will not be recoverable in the future. Impairment of assets is discussed at note 1(e).

Capitalisation of development expenditure ceases once the production commences, at which point it is transferred into Property, Plant and Equipment, and amortised on a units of production basis over the life of economically recoverable reserves.

Although production revenue has been received during the period, sufficient information has not been obtained from further technical analysis to form a definitive view regarding the economically recoverable reserves associated with the producing wells and field. At the date of this report the results of an independent resource and reserves assessment remains incomplete and technical analysis regarding the quality of the reservoir completion techniques utilised for the producing wells has yet to be fully determined. As a result the Directors deem that it is appropriate under the circumstances to continue to classify the US Oil and Gas Properties as development assets as at 30 June 2012.

(i) Business Combinations

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the group on acquisition date. Consideration also include the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the group obtains control of the acquiree. Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rate circumstances, it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measure at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquire is less than the fair value of the net identifiable assets acquired, the difference is recognized in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

For each business combination, the group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed when incurred.

Where the group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the group remeasures its previously held equity interest in the acquiree as its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. Where the group obtains control of a subsidiary that was previously accounted for as an available-for-sale investment, any balance on the available-for-sale reserve related to that investment is recognised in profit or loss as if the group had disposed directly of the previously held interest.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value as the date of exchange using the entity's incremental borrowing rate as the discount rate.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the group's controlling shareholder's consolidated financial statements.

1. Summary of Accounting Policies (continued)

(j) Investments and Other Financial Assets

Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally of marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in current assets as management may dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the short term. Available for sale assets are subsequently carried at fair value with movements in fair value are recognised in equity.

Investments are recognised and derecognised on trade date where the purchase sale or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned; and are initially measured at fair value, net of the transaction costs.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate (if applicable).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Impairment of available for sale financial assets

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is reclassified from equity and recognised in profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss. If there is evidence of impairment for any of the group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

(k) Share-Based Payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date and recognised over the vesting period. Fair value is measured by use of an appropriate valuation model.

The above policy is applied to all equity-settled share-based payments.

1. Summary of Accounting Policies (continued)

(l) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest Revenues

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(m) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(n) Property, Plant and Equipment (other than Oil & Gas Properties)

Owned Assets

Items of property, plant and equipment are recognised at cost less accumulated depreciation (see below) and impairment losses (see Impairment Note 1(e)).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation/Amortisation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful life of an item of property, plant and equipment.

The estimated useful lives for each class of assets in the current and comparative periods are as follows:

(i)	Motor Vehicles	4-5 years
(ii)	Plant and equipment	3-15 years depending on the nature of the asset

The useful life and depreciation method applied to an asset are reassessed at least annually.

(o) Trade and Other Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are normally settled within 30 days of recognition.

(p) Leases

The lease of a vehicle where the Group, as lessee, has substantially all the risks and rewards of ownership has been classified as a finance lease. The finance lease has been capitalised at the lease's inception at the fair value of the leased vehicle. The corresponding rental obligations, net of finance charges, have been included in other short-term payables and long-term borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The vehicle acquired under the finance lease is being depreciated over the asset's useful life.

(q) Earnings per Share

Basic earnings per share

Basic earnings per share is determined by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the financial year.

1. Summary of Accounting Policies (continued)

(r) Segment Reporting

The Group has applied AASB 8 Operating Segments. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as the previously reported geographical segments have been disaggregated into separate segments within the Group.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Managing Director that makes strategic decisions.

(s) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(t) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is New Standard Energy Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at reporting date;

(ii) income and expenses for each item in the statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

1. Summary of Accounting Policies (continued)

(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(u) Joint Ventures

A joint venture is either an entity or operation over which whose activities the entity has joint control, established by contractual agreement.

Jointly controlled operations and assets

Interests in unincorporated joint ventures are reported in the financial statements by including the entity's share of assets employed in joint ventures, the share of liabilities incurred in relation to the joint ventures and its share of revenue and expenses.

(v) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

(w) Standards and Interpretations Issued not yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The Group has not applied any of the following in preparing this financial report:

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. The Group is yet to assess its full impact. However, initial indications are that it may affect the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the Group recognised $36,476,637 of such gains in other comprehensive income. The Group has not yet decided when to adopt AASB 9.

AASB 10 Consolidated Financial Statements
(effective for the annual reporting periods commencing on or after 1 January 2013)

AASB 10 introduces certain changes to the consolidation principles, including the concept of de facto control and changes in relation to the special purpose entities. The Group is continuing to assess the impact of the standard.

AASB 11 Joint Arrangements
(effective for the annual reporting periods commencing on or after 1 January 2013)

AASB 11 introduces certain changes to the accounting for joint arrangements. Joint arrangements will be classified as either joint operations (where parties with joint control have rights to assets and obligations for liabilities) or joint ventures (where parties with joint control have rights to the net assets of the arrangement). Joint arrangements structured as a separate vehicle will generally be treated as joint ventures and accounted for using the equity method. The Group is continuing to assess the impact of the standard.

AASB 13 Fair Value Measurement
(effective for annual reporting periods commencing on or after 1 January 2013)

AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value on the balance sheet or disclosed in the notes to the financial statements. The Group is continuing to assess the impact of the standard.

1. Summary of Accounting Policies (continued)

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
(effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Group is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

AASB 119 Employee Benefits
(effective from 1 January 2013)

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all measurements of defined benefits liabilities/assets immediately in other comprehensive income and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. The Group is continuing to assess the impact of the standard.

Critical accounting judgements and key source of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 1, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty and significant judgements

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty and significant judgements at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Carrying value of exploration expenditure

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The carrying amount of exploration expenditure at the reporting date was $16,799,094. Details of the impairment can be found in note 9.

Deferred tax balances

The Group has carried forward losses which have been recognised as deferred tax assets as it is probable that the company will derive future assessable income of a nature and amount sufficient to enable the benefit to be realised.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

1. Summary of Accounting Policies (continued)

Rehabilitation and decommissioning obligations

The Group estimates the future rehabilitation costs of production facilities, wells and pipelines at different stages of the development and construction of assets or facilities. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, future environmental legislation, the extent of restoration activities, the future removal technology available and liability specific discount rates to determine the present value of these cash flows. As at 30 June 2012 the carrying value of rehabilitation obligations have not been calculated given the preliminary stage of development.

Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

Recoverability of development assets

The ultimate recoupment of costs carried forward for development assets is dependent upon the successful development and commercial exploitation, or sale, of the respective areas of interest.

2. Revenue

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Revenue from continuing operations consisted of the following items:		
Interest revenue	814,536	179,353
Other Income	29,541	-
Total Revenue	844,077	179,353

As detailed in Note 1(h) well revenues of $1,351,556 have been capitalised and offset against the development expenditure incurred to date on the development wells producing the revenue. This amount is reflected at Note 10.

3. Profit / (Loss) From Operations

	2012 $	2011 $
Profit/(loss) before income tax has been arrived at after crediting/ (charging) the following gains and losses:		
Gain on sale of subsidiary	-	33,226
Gain on sale of available-for-sale financial assets	-	1,491,960
Unrealised foreign exchange gain	5,839	10
Share based payments	(1,450,301)	(10,546)
Impairment of exploration expenditure	-	(661)
Impairment of fixed assets	-	(19,164)
Project Expenses	(25,321)	(38,763)

		Consolidated Entity 2012 $	Consolidated Entity 2011 $
4.	Income Tax Expense		
(a)	The components of tax expense comprise:		
	Current Tax	-	-
	Deferred Tax	(3,659,629)	-
(b)	The prima facie tax from ordinary activities before income tax is reconciled to the income tax expense as follows:		
	Profit/(loss) from continuing operations before income tax expense	(3,454,500)	(79,081)
		(3,454,500)	(79,081)
	Tax expense (benefit) calculated at 30%	(1,036,350)	(23,724)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
	Gain on sale of investments	-	139,511
	Share based payments	435,090	3,164
	Other permanent differences	6,802	707
	Entertainment	2,527	-
	Difference in overseas tax rate	(826)	(7,303)
	Benefit of tax losses not previously recognised	(6,870,026)	-
	Deferred tax liability not previously recognised	4,488,479	-
	Deferred tax asset not previously recognised	(685,325)	-
		(3,659,629)	112,355
	Tax losses and timing differences not recognised	-	(112,355)
	Income tax (expense)/benefit	(3,659,629)	-
(c)	Unrecognised deferred tax assets		
	Deferred tax assets have not been recognised in the statement of financial position for the following items;		
	Unused tax losses		
	(i) Australia	-	5,435,926
	(ii) United States	-	2,012,285
	Deductible temporary differences	-	685,325
		-	8,133,536
(d)	Unrecognised deferred tax liabilities		
	Deferred tax liabilities have not been recognised in the statement of financial position for the following items;		
	(i) Foreign currency translation	-	183
	(ii) Financial assets held for sale	-	701,315
	(iii) Capitalised exploration expenditure	-	4,488,295
		-	5,189,795

New Standard and its wholly owned Australian subsidiaries entered into a tax consolidated group effective 1 July 2008. The company has recognised deferred tax assets for the year ended 30 June 2012 as it is probable that the Company will derive future assessable income of a nature and amount sufficient to enable the benefit to be realised.

The potential tax benefit will only be obtained if the Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised; and

i. the Company continues to comply with the conditions for deductibility imposed by the law; and

ii. no changes in tax legislation adversely affect the relevant company in realising the benefit.

5. Key Management Personnel Compensation

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
(a) Key management personnel compensation		
Directors and other Key Management Personnel		
Short term employee benefits	1,543,294	961,516
Post employment benefits	85,427	7,568
Non-monetary benefits	-	-
Share based payments	1,425,908	10,546
	3,054,629	979,630

Detailed remuneration disclosures are provided in the remuneration report included in the Director's Report.

(b) Equity instrument disclosures relating to key management personnel

i. Options provided as remuneration and shares

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options can be found in section D of the audited Remuneration Report of the Directors Report.

ii. Option holdings

The number of options over ordinary shares in the Company held during the financial year by Key Management Personnel is set out below.

2012	Balance 1.7.2011	Granted as Compensation[1]	Net Change Other[2]	Balance 30.6.2012	Vested and Exercisable	Unvested
Mr A Dixon AM	-	750,000	-	750,000	450,000	300,000
Mr S Willis	5,250,000	4,000,000	(5,250,000)	4,000,000	2,500,000	1,500,000
Dr M Hagan	7,250,000	2,750,000	(7,250,000)	2,750,000	1,750,000	1,000,000
Mr I Paton	2,000,000	-	(2,000,000)	-	-	-
Mr C Sadler	-	-	-	-	-	-
Mr M Gracey	1,000,000	1,750,000	-	2,750,000	1,600,000	1,150,000
Mr M Clements	-	-	-	-	-	-
Mr D Hansen-Knarhoi	-	750,000	-	750,000	450,000	300,000
Mr P Achour	-	300,000	-	300,000	-	300,000
Mr B Walker	-	600,000	-	600,000	-	600,000
	15,500,000	10,900,000	(14,500,000)	11,900,000	6,750,000	5,150,000

2011	Balance 1.7.2010	Granted as Compensation[1]	Net Change Other	Balance 30.6.2011	Vested and Exercisable	Unvested
Mr A Dixon AM	-	-	-	-	-	-
Mr S Willis	5,250,000	-	-	5,250,000	5,250,000	-
Dr M Hagan	7,250,000	-	-	7,250,000	7,250,000	-
Mr I Paton	2,000,000	-	-	2,000,000	2,000,000	-
Mr M Gracey	-	1,000,000	-	1,000,000	-	1,000,000
Mr M Clements	-	-	-	-	-	-
	14,500,000	1,000,000	-	15,500,000	14,500,000	1,000,000

5. Key Management Personnel Compensation (continued)

Notes:

(1) On 9 May 2012, the Company issued a total of 600,000 unlisted options as part of an incentive component of an employment agreement for the senior executive role of Exploration Manager, Mr B Walker. The options have been issued in different tranches and 50% have an exercise price of 53.5c and the balance have an exercise price of 60.0c. All options expire on 9 May 2015 if not exercised before. The options are non-transferrable and cannot be exercised until such time as employment periods of 12 and 24 months have been served.

On 24 April 2012, the Company issued a total of 300,000 unlisted options as part of an incentive component of an employment agreement for the senior executive role of HSEC Manager, Mr P Achour. The options have been issued in different tranches and 50% have an exercise price of 81.0c and the balance have an exercise price of 90.5c. All options expire on 24 April 2015 if not exercised before. The options are non-transferrable and cannot be exercised until such time as employment periods of 6 and 12 months have been served.

On 20 December 2011, the Company issued a total of 10,000,000 unlisted options as approved by shareholders on 30 November 2011. The options were issued as an incentive tool to incentivise high quality executive personnel and help align the long term interests of management and shareholders. The options have been issued in different tranches and 6,250,000 have an exercise price of 38.5c and the balance have an exercise price of 43.0c. All options expire on 20 December 2014 if not exercised before. The options are non-transferrable and cannot be exercised until such time as employment periods of 6 and 12 months have been served.

On 29 March 2011, the Company issued a total of 1,000,000 unlisted options as part of an incentive component of an employment agreement for the senior executive role of Legal and Commercial Manager, Mr M Gracey. The options have been issued in different tranches and 50% have an exercise price of 22.5c and the balance have an exercise price of 27.5c. All options expire on 30 June 2013 if not exercised before. The options are non-transferrable and cannot be exercised until such time as employment periods of 12 and 18 months have been served.

All options were issued under the Company's Employee Share Option Scheme. Provision also exists for immediate lapse in the event employment is terminated for fraud or wilful misconduct.

(2) All options exercised prior to 30 June 2012 expiry date.

iii. Share holdings

The number of shares in the Company held during the financial year by Key Management Personnel of the Group are set out below.

2012	Balance 1.7.2011	Options Exercised[4]	Granted as Compensation [3]	Net Change Other[4]	Balance 30.6.2012	Balance held nominally at 30.6.2012
Mr A Dixon AM	36,000	-	-	50,000	86,000	86,000
Mr S Willis	8,270,864	5,250,000	234,898	(2,625,000)	11,130,762	11,130,762
Dr M Hagan	2,166,456	7,250,000	234,898	(5,062,461)	4,588,893	4,588,893
Mr I Paton	1,000,000	2,000,000	-	(3,000,000)	-	-
Mr C Sadler	-	-	-	100,000	100,000	100,000
Mr M Gracey	10,000	-	77,786	-	87,786	87,786
Mr M Clements	420,000	-	-	(420,000)	-	-
Mr D Hansen-Knarhoi	-	-	-	80,000	80,000	80,000
Mr P Achour	-	-	-	-	-	-
Mr B Walker	-	-	-	-	-	-
	11,903,320	14,500,000	547,582	(10,877,461)	16,073,441	16,073,441

2011	Balance 1.7.2010	Options Exercised	Granted as Compensation	Net Change Other	Balance 30.6.2011	Balance held nominally at 30.6.2011
Mr A Dixon AM	-	-	-	36,000	36,000	36,000
Mr S Willis	6,800,000	-	345,864	1,125,000	8,270,864	8,270,864
Dr M Hagan	1,650,000	-	376,456	140,000	2,166,456	2,166,456
Mr I Paton	-	-	-	1,000,000	1,000,000	1,000,000
Mr M Gracey	-	-	-	10,000	10,000	10,000
Mr M Clements	50,000	-	-	370,000	420,000	420,000
	8,500,000	-	722,320	2,681,000	11,903,320	11,903,320

5. Key Management Personnel Compensation (continued)

Notes:

(3) On 15 December 2011, the Company allotted and issued a total of 469,796 fully paid ordinary shares (Shares) to Managing Director, Mr Sam Willis and Technical Director, Dr Mark Hagan, under the Employee Share Plan (Share Plan) as approved by shareholders on 30 November 2011.

On 5 October 2011, the Company allotted and issued a total of 77,786 fully paid ordinary shares (Shares) to Legal and Commercial Manager, Mr M Gracey, under the Share Plan.

New Standard has provided interest free limited recourse loans for the full amounts to purchase these Shares on the terms set out in the Share Plan (Loan), and the loans are repayable in full by 31 December 2013 (Loan Repayment Date). As set out in the Share Plan, all or part of the Loan may be repaid prior to the Loan Repayment Date. The issued Shares are subject to certain restrictions, including restrictions on transfer until the Loan is repaid in full. In addition, the Loan must be repaid early in certain circumstances as set out in the Share Plan.

(4) On 1 June 2012, Executive Directors, Mr S Willis and Dr M Hagan, sold a total of 7,687,461 fully paid ordinary shares so as to cover the cost of the option exercise, as well as some of the primary tax liabilities associated with the share sales.

Mr I Paton resigned as Director on 7 May 2012. On 23 March 2012, prior to resignation, Mr I Paton sold 350,000 fully paid ordinary shares.

Mr Sadler was appointed Director on 20 April 2012 and purchased 100,000 fully paid ordinary shares, on market, on 18 June 2012.

Mr Hansen-Knarhoi was appointed CFO and Joint Company Secretary on 7 September 2011 and held 30,000 fully paid ordinary shares at the time of his appointment.

Mr Hansen-Knarhoi purchased a further 50,000 shares through the Shareholder Share Purchase Plan on 5 December 2011.

Mr Dixon purchased 50,000 shares through the Shareholder Share Purchase Plan on 5 December 2011.

Mr Clements ceased to be KMP on 7 September 2011.

(c) Other transactions with key management personnel

Other than above there have been no transactions with related parties during the year other than loans between subsidiaries

	Consolidated Entity	
6. Auditors Remuneration	2012 $	2011 $
Auditor of the Parent Entity –		
(a) Audit Services		
BDO Audit (WA) Pty Ltd	55,609	36,257
	55,609	36,257

7. Trade And Other Receivables

	2012 $	2011 $
Current		
Goods and services tax recoverable	31,844	51,978
Prepayments	270,313	508,520
Research & Development Tax Concession Receivable	493,951	-
Receivables from Joint Ventures	535,744	-
Other	365,978	90,957
	1,697,830	651,455

The average credit period on trade and other receivables is 30 days. No interest is charged on prepayments and receivables. The Consolidated Entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe. Due to the short term nature of these receivables, their carrying value is assumed to be approximately their fair value. None of the receivables are past due or impaired. Refer to note 23 for the Group's risk management objectives and policies.

8. Available For Sale Financial Assets	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Listed Securities		
Equity Securities	48,551,637	9,825,000

The Company's holding in Buru Energy Limited (ASX: BRU) of 15,000,000 fully paid ordinary shares has remained unchanged in the year ended 30 June 2012. Subsequent to financial year end, the Company sold 5,000,000 fully paid ordinary shares in BRU - refer to note 30 for further details.

On the following dates, the Company acquired fully paid ordinary shares in Elixir Petroleum Ltd (ASX: EXR):

	Shares	$
9/03/2012	2,334,610	140,077
15/03/2012	6,400,000	400,000
5/04/2012	19,416,049	1,213,503
5/04/2012	9,928,407	496,420
	38,079,066	2,250,000

The fair value of available for sale securities is based on quoted market price at the end of the reporting period. The quoted market price used for available for sale financial assets held by the Group is the current bid price which as at 30 June 2012 was $3.120 (30 June 2011: $0.655) for Buru Ltd and $0.046 for Elixir Petroleum Ltd. Refer to note 23 for the Group's risk management objectives and policies.

9. Exploration And Evaluation Expenditure	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Movement in Exploration and Evaluation Expenditure		
Balance at beginning of the year	12,493,737	11,042,652
Expenditure incurred	6,959,308	4,329,001
Expenditure impaired;		
Lanagan 2	-	(661)
Expenditure recovered[(1)]	(2,653,951)	(300,000)
Expenditure transferred to development assets	-	(2,577,255)
Balance at end of the year	16,799,094	12,493,737

Notes:

(1) On 17 March 2011 the Company announced that it had entered into a farm-in agreement with Green Rock Energy Ltd (Green Rock; ASX code: GRK). GRK has agreed to partner New Standard in EP417 by paying $750,000 in back costs and contributing 27.5% of the costs of drilling, coring, fracture stimulation, flow testing and planned completion of the Lawford #1 well located on EP417. In return Green Rock will earn a 15% per cent interest in EP417. Green Rock has also committed to fund 22.5% of the costs of a second (but yet to be agreed) well to earn an additional 5% in EP417. In the year ended 30 June 2012 a total of $1m was received pursuant to this agreement, made up of $450,000 in back costs and $550,000 from the additional 12.5% contribution to well costs in excess of the 15% equity being earned. This follows receipt of $300,000 back costs in the year ended 30 June 2011.

On 30 September 2011 the Company announced that it had entered into a farm-in agreement with ConocoPhillips (Canning Basin) Pty Ltd (COP) to jointly explore the Company's Flagship Goldwyer Project in the Canning Basin. The Farm-in requires COP to fund up to US$119m over four phases of unconventional hydrocarbon exploration work, including drilling, coring and evaluation of multiple wells, plus an upfront payment of $1m to the Company in consideration of prior costs, in order to earn up to a 75% working interest in the Goldwyer Project. In the year ended 30 June 2012, $1m has been received pursuant to this agreement.

On 12 April 2012 the Company received $160,000 from the Department of Mines & Petroleum (DMP) under its Exploration Incentive Scheme for exploration activities undertaken in EP417 in the Canning Basin.

The Company has submitted a Research & Development Tax Concession claim for $493,951 relating to applicable works undertaken in the year ended 30 June 2011 in the Canning and Carnarvon Basins.

The exploration expenditure incurred during the year largely relates to the Company's oil and gas permits and application areas in Australia and working interest in the Colorado County Project in onshore Texas.

The Board assesses impairment of all exploration expenditure at each reporting date by evaluating the conditions specific to the Company and to the particular asset that may lead to impairment. These include if substantive expenditure has been incurred on exploration and evaluation of resources and this has not led to the discovery of commercial viable quantities of resources or sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The ultimate recoupment of exploration expenditure carried forward is dependent on successful development and exploitation, or alternatively sale, of the respective area of interest.

10. Development Assets – Oil and Gas Properties

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Development Assets		
At cost	1,968,020	2,467,248
Accumulated amortisation	-	-
Net carrying value	1,968,020	2,467,248

Development Assets 2012	Tangible Costs $	Intangible Costs $	Prepaid Drilling, Completion and Lease Acquisition Costs $	Total $
Cost				
At 1 July 2011	796,173	1,671,075	-	2,467,248
Transfer from Exploration Projects	-	-	-	-
Additions	10,321	842,007	-	852,328
Impairment	-	-	-	-
Revenue offset	-	(1,351,556)	-	(1,351,556)
Foreign exchange movement	-	-	-	-
At 30 June 2012	806,494	1,161,526	-	1,968,020
Provision for future restoration costs				
At 1 July 2011	-	-	-	-
Disposals	-	-	-	-
At 30 June 2012	-	-	-	-
Accumulated amortisation				
At 1 July 2011	-	-	-	-
Charge for the Year	-	-	-	-
Disposals	-	-	-	-
Foreign exchange movement	-	-	-	-
At 30 June 2012	-	-	-	-
Net carrying value				
At 1 July 2011	796,173	1,671,075	-	2,467,248
At 30 June 2012	806,494	1,161,526	-	1,968,020
2011				
Cost				
At 1 July 2010	-	-	-	-
Transfer from Exploration Projects	796,173	1,781,082	-	2,577,255
Additions	-	1,352,402	-	1,352,402
Impairment	-	-	-	-
Revenue offset	-	(1,462,409)	-	(1,462,409)
Foreign exchange movement	-	-	-	-
At 30 June 2011	796,173	1,671,075	-	2,467,248
Provision for future restoration costs				
At 1 July 2010	-	-	-	-
Disposals	-	-	-	-
At 30 June 2011	-	-	-	-
Accumulated amortisation				
At 1 July 2010	-	-	-	-
Charge for the Year	-	-	-	-
Disposals	-	-	-	-
Foreign exchange movement	-	-	-	-
At 30 June 2011	-	-	-	-
Net carrying value				
At 1 July 2010	-	-	-	-
At 30 June 2011	796,173	1,671,075	-	2,467,248

The ultimate recoupment of development assets carried forward is dependent on successful development and exploitation, or alternatively sale, of the respective area of interest.

11. Property, Plant And Equipment

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Property, plant and equipment	613,545	226,628
Accumulated depreciation	(158,106)	(114,897)
Net book amount	455,439	111,731

Year ended 30 June 2012	Furniture and equipment $	Motor Vehicles $	Leasehold Improvements $	Total $
Opening net book amount	59,645	48,335	3,751	111,731
Additions	197,759	225,194	3,737	426,690
Disposals	(13,921)	-	(2,576)	(16,497)
Depreciation expense	(46,930)	(16,823)	(2,732)	(66,485)
Closing net book amount	196,553	256,706	2,180	455,439
Year ended 30 June 2011				
Opening net book amount	63,462	14,959	24,568	102,989
Additions	30,248	39,541	4,400	74,189
Disposals	-	-	(19,164)	(19,164)
Depreciation expense	(34,065)	(6,165)	(6,053)	(46,283)
Closing net book amount	59,645	48,335	3,751	111,731

12. Trade And Other Payables

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Current		
Trade payables	262,410	505,540
Sundry payables and accrued expenses	593,735	543,277
	856,145	1,048,817

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Refer to note 23 for the Group's risk management objectives and policies.

13. Current Liabilities – Borrowings

Finance lease-vehicle	74,805	13,656
	74,805	13,656

Finance leases have been taken out on the purchase of four vehicles. These vehicles have been separated into current and non-current liabilities as required by AASB117.

14. Other Non-Current Liabilities

Finance lease-vehicle	195,967	26,172
	195,967	26,172

Finance leases have been taken out on the purchase of four vehicles. These leases have been separated into current and non-current liabilities as required by AASB117.

15. Non-Current Liabilities – Deferred Tax Liability	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Income statement		
Accrued revenue/income	42,357	-
Property, plant & equipment	15,070	-
Foreign currency translation	109,779	-
Capitalised exploration expenditure	5,630,134	-
Equity		
Financial assets held for sale	13,289,842	-
	19,087,182	-
Deferred tax assets		
Unused tax losses		
- Australia	(7,296,710)	-
- US	(1,498,960)	-
Unexpired capital raising costs	(421,550)	-
Accrued income/revenue	(42,357)	-
Deductible temporary differences	(197,392)	-
Total deferred tax assets	(9,456,969)	
Net deferred tax liability	9,630,213	-
Reconciliation of movement in deferred tax liabilities:		
Opening balance	-	-
Debited (credited) to income statement	(3,659,629)	-
Debited (credited) to equity	13,289,842	-
Closing balance	9,630,213	-

As provided by AASB112, deferred tax assets and liabilities have been set off because:

a) there is a legally recognised right to set off current tax assets and liabilities;

b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity as the consolidated entity is part of a tax consolidated group.

16. Issued Capital

305,022,751 fully paid ordinary shares (2011: 198,975,169)	53,626,937	24,226,520

(a) Fully paid ordinary shares

2011	No.	$
Balance at beginning of financial year	143,028,723	16,668,616
On 30 July 2010, issue of shares pursuant to Tranche 1 of a Placement	13,679,307	1,983,500
On 2 September 2010, fully paid ordinary shares issued pursuant to a Share Purchase Plan	16,189,643	2,347,500
On 8 September 2010, issue of shares pursuant to Tranche 2 of a Placement	17,355,176	2,516,500
On 4 January 2011, issue of shares pursuant to employee share plan	722,320	-
On 3 June 2011, issue of shares following the exercise of 3,600,000 12.5c options and 3,600,000 15c options	7,200,000	990,000
On 15 June 2011, issue of shares following the exercise of 378,691 12.5c options	378,691	47,336
On 23 June 2011, issue of shares following the exercise of 21,309 12.5c options and 400,000 15c options	421,309	62,664
Less: Issue costs	-	(389,596)
Balance at end of financial year	198,975,169	24,226,520

16. Issued Capital (continued)

2012	No.	$
Balance at beginning of financial year	198,975,169	24,226,520
Fully Paid ordinary shares issued pursuant to;		
Share Purchase Plan [(i)]	13,333,333	4,000,000
Placement [(i)]	76,666,667	23,000,000
On 20 July 2011, issue of shares following the exercise of 1,000,000 20c options	1,000,000	200,000
On 5 October 2011, issue of shares pursuant to employee share plan	77,786	-
On 15 December 2011, issue of shares pursuant to employee share plan	469,796	-
On 10 January 2012, issue of shares following exercise of 750,000 22.5c options.	750,000	168,750
On 24 February 2012, issue of shares following the exercise of 250,000 22.5c options and 250,000 27.5c options.	500,000	125,000
On 23 March 2012, issue of shares following exercise of 500,000 27.5c options.	500,000	137,500
On 14 May 2012, issue of shares following exercise of 250,000 27.5c options.	250,000	68,750
On 1 June 2012, issue of shares following exercise of 6,250,000 22.5c options and 6,250,000 27.5c options.	12,500,000	3,125,000
Less: Issue costs	-	(1,424,583)
Balance at end of financial year	305,022,751	53,626,937

(i) On 26 October 2011, the Company announced it had reached an agreement for a $27 million capital raising (Capital Raising) via a $23 million two tranche placement of 76,666,667 shares at $0.30 per share to institutional and sophisticated investors (Placement) together with a Share Purchase Plan (SPP) at the same price for existing shareholders capped at $4 million. Euroz Securities acted as Lead Manager to the Placement.

The Placement was made in two tranches:

Tranche one comprising the Placement of 29,000,000 shares to raise $8.7 million, was issued under the Company's available 15% capacity; and

Tranche two comprising the Placement of 47,666,667 shares to raise $14.3 million was issued following receipt of shareholder approval at a general meeting held on 1 December, 2011.

In conjunction with the Placement, New Standard offered eligible shareholders the opportunity to acquire additional shares in the Company up to a maximum of $15,000 per shareholder under a shareholder purchase plan (SPP). Shares under the SPP were offered at $0.30 per share, which was the same price offered to the Placement participants. Applications totalling $1.838 million pursuant to the SPP were accepted and 6,125,016 fully paid ordinary shares were allotted and issued.

On 6 February 2012, the Company placed the Share Purchase Plan shortfall shares (SPP Shortfall) with Institutional and Sophisticated Investors. The placement of the SPP Shortfall resulted in the issue of 7,208,317 fully paid ordinary shares at $0.30 per share, raising $2.16m (prior to costs).

The proceeds from the capital raising are being applied to accelerate New Standard's Merlinleigh and other Australian tight gas and shale projects, fund working capital and strengthen the Company's balance sheet for future growth opportunities.

Refer to Note 23 for the Group's Risk Management Objectives and Policies.

(b) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Options

Information on options granted to Directors and employees as remuneration during the period including the employee option plan are disclosed in Note 27 of the consolidated financial statements.

		Consolidated Entity	
		2012	2011
17.	Reserves And Accumulated Losses	$	$
	Share based payments reserve	3,224,335	1,774,034
	Foreign currency translation reserve	(1,467,508)	(1,817,308)
		32,218,622	7,231,726
(a)	Movements in Available for sale financial assets reserve		
	Balance at beginning of year	7,275,000	3,600,000
	Revaluation of financial assets available for sale	36,476,637	3,675,000
	Deferred tax liability	(13,289,842)	-
	Balance at end of year	30,461,795	7,275,000

Nature and purpose of reserve

The available for sale investments revaluation reserve represents the unrealised gain or loss on the market value of available for sale financial assets

(b)	Movements in share based payments reserve		
	Balance at the beginning of the year	1,774,034	1,763,489
	Add: Issue of options		
	- Directors	1,033,863	-
	- Employees	416,438	10,545
	Balance at the end of year	3,224,335	1,774,034

The share based payments reserve represents the value of options issued to employees, directors and promoters.

(c)	Movements in foreign currency translation reserve		
	Balance at the beginning of the year	(1,817,308)	(309,573)
	Unrealised gain/(loss) on translation of foreign operation	349,800	(1,507,735)
	Balance at the end of the year	(1,467,508)	(1,817,308)

Nature and purpose of reserve

The foreign currency translation reserve represents the unrealised gain or loss upon translation of subsidiaries with a different functional currency.

(d)	Accumulated losses		
	Movements in Accumulated Losses		
	Balance at the beginning of the year	(2,444,943)	(2,365,862)
	Net profit/(loss) attributable to members of the Company	205,129	(79,081)
	Balance at the end of the year	(2,239,814)	(2,444,943)

18. Dividends

There have been no dividends paid or proposed in the 2011 or 2012 financial years.

19. Commitments For Expenditure

Exploration Permits and Tenements – Commitments for Expenditure

In order to maintain current rights of tenure to Australian exploration permits and tenements, the Group is required to outlay rentals and to meet the minimum expenditure requirements established with the Western Australian Department of Mines and Petroleum (DMP). Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be mitigated or reduced by sale, farm out or relinquishment. These work commitments or obligations are not provided for in the accounts but are to be incurred as outlined below:

	Consolidated Entity	
	2012 $	2011 $
Not longer than 1 year	5,931,719	17,431,434
Longer than 1 year and not longer than 5 year	42,630,000	44,055,000
Longer than 5 years	5,100,000	-
	53,661,719	61,486,434

Australian Exploration Permits

Goldwyer Project

The above commitments reflect minimum work programs and costs as revised by the DMP on 23 September 2011. Additional commitments or liabilities may arise from time to time following the completion of certain exploration activities, however no such allowances can be made at the reporting date given the inherent uncertainties involved.

On 30 September 2011, the Company announced that it had executed a binding farm-out agreement with ConocoPhillips (Canning Basin) Pty Ltd (COP) to explore and evaluate the shale gas potential of the Goldwyer Project in the Canning Basin, Western Australia. Under the farm-out agreement it is anticipated that, subject to completion of the farm-in work contemplated under the agreement, the expenditure commitments relating to EP 443, 450, 451 and 456 will be substantially met by COP via its funding of up to US$119m over four phases of shale exploration work to earn and retain a 75% interest in the Goldwyer Project.

As part of the Goldwyer phase 1 exploration activities undertaken, the Company has entered into contracts for rig and camp services that extend beyond activities contemplated in the DMP minimum work commitments, It is intended for the rig and camp services to be deployed to Merlinleigh for a drilling exploration program, however, unless otherwise negotiated, contract termination costs of $2.6m may be incurred if the rig and camp services contracts are terminated upon completion of the Goldwyer phase 1 exploration program.

Merlinleigh Project

On 13 August 2012, the Company announced that it had converted its Merlinleigh Special Prospecting Authority acreage to granted exploration permits EP 481 and 482. The above table incorporates the expenditure commitments associated with the grant of EP481 and 482.

US Exploration Permits

United States oil and gas exploration working interests do not have minimum expenditure requirements and due to the expenditure being largely discretionary there are no amounts included in the above table.

Leases

The Company entered into a 3 year operating lease agreement effective 1 February 2011 for the corporate head offices at Level 3, 33 Richardson Street, West Perth. The lease obligation is not provided for in the Consolidated Statement of Financial Position but is to be incurred as outlined below:

	Consolidated Entity	
	2012 $	2011 $
Not longer than 1 year	131,826	109,160
Longer than 1 year and not longer than 5 year	59,063	181,270
Longer than 5 years	-	-
	190,889	290,430

20. Segment Reporting

Segment Results

The segment information provided to the Managing Director for the reportable segments for the year ended 30 June 2012 are as follows:

	Australia Oil and Gas Exploration $	Tungsten $	United States Oil and Gas Exploration $	Total $
30 June 2012				
Total Segment Revenues	-	-	-	-
Profit Before Tax	-	-	-	-
Total Segment Assets	11,055,429	-	7,711,685	18,767,114
Total Segment Liabilities	(26,909)	-	(15,000)	(41,909)
30 June 2011				
Total Segment Revenues	-	-	-	-
Profit Before Tax	-	(4,200)	-	(4,200)
Total Segment Assets	7,172,978	-	7,803,726	14,976,704
Total Segment Liabilities	(359,175)	-	(326,062)	(685,237)

Australia - Oil and Gas Exploration

Canning Basin comprises of exploration associated with the Group's interests in oil and gas permits in the Canning Basin including EP 417, 443, 450, 451 & 456.

Carnarvon Basin comprises of exploration associated with the Group's interests in oil and gas permits in the Carnarvon Basin namely in the Merlinleigh Project (STP-EPA-0014 and STP-EPA-0015).

United States - Oil and Gas Exploration

Colorado Country comprises of exploration expenditure associated with the Group's working interest in oil and gas projects in the Colorado County Project in Texas, U.S.A. including the Heintschel #1, Heintschel #2, D Truchard #1 and Joann #1 wells.

Wharton County comprises of exploration expenditure associated with the Group's interests in oil and gas in the Wharton County Project in Texas, U.S.A.

Moeller comprises of exploration expenditure associated with the Group's interest in oil and gas in the Moeller #1 well.

(a) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Managing Director is measured in a manner consistent with that in the statement of comprehensive income.

Revenues from external customers are derived from the sale of gas. However these are minimal and therefore there are no major customers to report.

Segmented revenue reconciles to total revenue from continuing operations as follows:

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Total Segment Revenue	-	-
Interest revenue	814,536	179,353
Other income	29,541	-
Total revenue from continuing operations (note 2)	844,077	179,353

20. Segment Reporting (continued)

A reconciliation of adjusted segment loss to profit/loss before income tax from continuing operations is provided as follows:

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Adjusted Segment Profit/(loss)		
(Loss) per above segments	-	(4,200)
Intersegment eliminations	-	2,218
Interest	814,536	179,353
Gain on sale of financial assets	-	1,491,960
Gain on sale of subsidiary	-	33,226
Share based payments	(1,450,301)	(10,546)
Other non-segment and corporate	(2,818,735)	(1,771,092)
Profit/(loss) before income tax from continuing operations	(3,454,500)	(79,081)

(ii) Segment assets

The amounts provided to the Managing Director with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Investment in shares (classified as available-for-sale financial assets) held by the Group are not considered to be segment assets but rather managed by the corporate office.

Reportable segment assets are reconciled to total assets as follows:

	2012 $	2011 $
Segment Assets	18,767,114	14,976,704
Unallocated:		
Available-for-sale financial assets	48,551,637	9,825,000
Cash	24,890,855	4,552,777
Other non-segment and corporate	2,153,269	747,467
Total assets as per the statement of financial position	94,362,875	30,101,948

(iii) Segment liabilities

The amounts provided to the Managing Director with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

Reportable segment liabilities are reconciled to total liabilities as follows:

	2012 $	2011 $
Segment Liabilities	41,909	685,237
Unallocated:		
Other non-segment and corporate	10,715,221	403,408
Total liabilities as per the statement of financial position	10,757,130	1,088,645

21. Related Party Disclosures

(a) Key Management Personnel Compensation

Disclosures relating to Key Management Personnel are set out at Note 5.

(b) Transactions with related parties loans

Other than loans to subsidiary companies, there have been no additional transactions with related parties.

	Consolidated Entity	
	2012 $	2011 $
Transactions with related parties		
Share based payments(i)	72,138	-
Option issue(ii)	1,378,163	10,546
	1,450,301	10,546

Note:

(i) The Company issued the following fully paid ordinary shares, funded via non-recourse loans, pursuant to the Employee Share Plan during the period to Key Management Personnel (KMP) and as approved by shareholders at the Annual General Meeting held 30 November 2011 (refer note 27(g) for details) where these KMP were directors of the Company. All loans are outstanding at balance date.

05 October 2011: 77,786 shares to Mr Gracey, Commercial & Legal Manager funded via a non-recourse loan for $25,000. The fair value at grant date of $11,210 was calculated using the Black Scholes pricing model that took into account the term, the underlying value of the shares, the exercise price, the expected dividend yield, the impact of dilution and the risk-free interest rate.

Model inputs used to value the share options granted included:

- exercise price: $0.3214 per share
- market price of shares at grant date: $0.295
- expected volatility of the Company's shares: 85%
- risk-free interest rate: 3.04%
- time to maturity: 2.25 years
- dividend yield: 0%

15 December 2011: 234,898 shares to both of Mr Willis, Managing Director and Dr Hagan, Technical Director funded via non-recourse loans for $72,000 each. The fair value of each at grant date of $30,464 was calculated using the Black Scholes pricing model that took into account the term, the underlying value of the shares, the exercise price, the expected dividend yield, the impact of dilution and the risk-free interest rate.

Model inputs used to value the share options granted included:

- exercise price: $0.3065 per share
- market price of shares at grant date: $0.295
- expected volatility of the Company's shares: 85%
- risk-free interest rate: 3.04%
- time to maturity: 2.04 years
- dividend yield: 0%

(ii) On 20 December 2011, the Company issued 6,250,000 unlisted options exercisable at 38.5 cents (tranche 1) and 3,750,000 unlisted options exercisable at 43 cents (tranche 2) pursuant to the Employee Share Option Plan as approved by shareholders at the Annual General Meeting held 30 November 2011 to Key Management Personnel as follows:

Name	Title	Tranche 1 Options	Tranche 2 Options
Mr Dixon AM	Chairman	450,000	300,000
Mr Willis	Managing Director	2,500,000	1,500,000
Dr Hagan	Technical Director	1,750,000	1,000,000
Mr Gracey	Commercial & Legal Manager	1,100,000	650,000
Mr Hansen-Knarhoi	CFO & Joint Company Secretary	450,000	300,000
TOTAL		6,250,000	3,750,000

21. Related Party Disclosures (continued)

Valuation of the unlisted options issued was calculated using the Black-Scholes pricing model, and no monetary consideration was received by the employees. Key terms are as follows:

	KMP's Options (Tranche 1)	Director Options (Tranche 1)	KMP's Options (Tranche 2)	Directors Options (Tranche 2)
Strike Price	$0.385	$0.385	$0.430	$0.430
Time until expiry	3 years	3.06 years	3 years	3.06 years
Volatility	85%	85%	85%	85%
Risk free	3.02%	3.02%	3.02%	3.02%
Value per option	$0.147	$0.156	$0.139	$0.148

On 24 April 2012, the Company issued 150,000 unlisted options exercisable at 81.0 cents (tranche 1) and 150,000 unlisted options exercisable at 90.5 cents (tranche 2) to Mr Achour pursuant to the Employee Share Option Plan. All options are exercisable on or before 24 April 2015.

On 9 May 2012, the Company issued 300,000 unlisted options exercisable at 53.5 cents (tranche 1) and 300,000 unlisted options exercisable at 60.0 cents (tranche 2) to Mr Walker as part of an incentive component of an employment agreement in his role as Exploration Manager. All options are pursuant to the Employee Share Option Plan and are exercisable on or before 9 May 2015.

22. Notes to the Cash Flow Statements

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
(a) Reconciliation of Cash and Cash Equivalents		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statements are reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	24,890,855	4,552,777
(b) Reconciliation of Net Profit / (Loss) After Tax to Net Cash Flows From Operating Activities		
Profit / (loss) after income tax	205,129	(79,081)
Non-cash expenditure:		
Share based payments	1,450,301	10,546
Gain on sale of subsidiary, net of transaction costs	-	(33,226)
Gain on sale of financial assets	-	(1,491,960)
Loss on sale of fixed assets	16,497	19,164
Impairment of exploration expenditure	-	661
Depreciation	66,485	46,283
Unrealised foreign exchange gain	(5,839)	-
Bad Debt written down	449	-
Income tax expense/(benefit)	(3,659,629)	-
(Increase)/decrease in assets:		
Receivables	(1,066,509)	(15,925)
Other current assets	20,134	(45,708)
Increase/(decrease) in liabilities:		
Current payables	(131,523)	513,877
Net cash used in operating activities	(3,104,505)	(1,075,369)

23. Financial Risk Management Objectives And Policies

The Group's principal financial instruments comprise cash and cash equivalents and also includes available for sale financial assets and payables. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period, the Group's policy is that no trading in financial instruments shall be undertaken.

The main risks arising from the consolidated entity's financial instruments are currency risk, credit risk, price risk, liquidity risk and cash flow interest rate risk. The Board reviews and agrees policies for managing each of these risks.

(a) Cash flow interest rate risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the consolidated entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount of the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

The Group has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

A sensitivity analysis has not been disclosed in relation to variable rate instruments for Group as the results are immaterial to the statement of comprehensive income.

		Consolidated Entity			
		Float Interest Rate		Total Carrying Amount	
		2012	2011	2012	2011
Financial Assets	Note	$	$	$	$
Cash at Bank	21 (a)	24,890,855	4,552,777	24,890,855	4,552,777
Total		24,890,855	4,552,777	24,890,855	4,552,777
Weighted average interest rate		5.23%	4.86%		

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure the ability to meet debt requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. The Group aims at maintaining flexibility in funding by having in place operational plans to source further capital as required.

All trade payables are contractually due within 30 days.

Liquidity risk is measured using liquidity ratios such as working capital as follows:

	Consolidated Entity	
	2012	2011
	$	$
Current Assets	75,140,322	15,029,232
Current Liabilities	(930,950)	(1,062,473)
Surplus	74,209,372	13,966,759

23. Financial Risk Management Objectives And Policies (continued)

(c) Currency Risk

The Group has operations located in the United States where both revenues and expenditures are recorded. The statement of financial position can be affected by movements in the USD/AUD exchange rates upon translation of the US operations into AUD.

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

This risk arises as at times the Group is exposed to purchasing goods and services denominated in US dollars, which is unavoidable due to the nature of the working interest acquired in the US oil and gas permits.

The Company also has a joint venture with ConocoPhilips (Canning Basin) Pty Ltd (COP) to explore and evaluate the shale gas potential of the Goldwyer Project in the Canning Basin, Western Australia. Under the agreement, COP expenditure commitment limits have been set in US dollars. As associated expenditures are predominantly incurred in AU dollars, movements in the AUD/USD exchange rate expose the Company to foreign exchange gains or losses when received funds are converted to AU dollars. To minimise this exposure, the Company has entered into foreign exchange put option contract to protect against an upward movement in the AUD/USD exchange rate, and as such, a sensitivity analysis has not been performed.

(d) Fair Value

The fair value of available for sale securities is based on quoted market price at the end of the reporting period. The quoted market price used for available for sale financial assets held by the Group is the current bid price.

The following tables classify financial instruments recognised in the statement of financial position of the Group, according to the hierarchy stipulated in AASB 7 as follows:

Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - a valuation technique is used using other than quoted prices within Level 1 that are observable for the financial instrument either directly (i.e. as prices) or indirectly (i.e. derived from prices); or

Level 3 - a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).

Comparative information has not been provided as permitted by the transitional provisions of the new rules.

	Consolidated Entity			
2012	Level 1 $	Level 2 $	Level 3 $	Total $
Available for sale financial assets				
Listed equity securities	48,551,637	-	-	48,551,637
2011				
Available for sale financial assets				
Listed equity securities	9,825,000	-	-	9,825,000

The fair value of financial instruments traded in active markets is based upon quoted market price at the end of the reporting period. The quoted market price is the quoted bid prices which are included in Level 1.

(e) Credit Risk

Credit risk is the potential that the Group will suffer a financial loss due to the unwillingness or inability of counterparty to fully meet their contractual debts and obligations. Credit risk arises from potential trading activities and holding cash. The carrying amount of financial assets represents the maximum credit exposure.

The Group trades only with recognised, credit worthy third parties and has apportioned cash reserves amongst several financial institutions.

23. Financial Risk Management Objectives And Policies (continued)

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Cash at Bank and short term bank deposits (AA)	-	3,366,211
Cash at Bank and short term bank deposits (AA-)	24,231,974	-
Cash at Bank and short term bank deposits (A+)	-	1,000,000
Cash at Bank and short term bank deposits (A)	658,881	-
Cash at Bank and short term bank deposits (A-1)	-	186,566
Total	24,890,855	4,552,777

(f) Price Risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group in other listed exploration companies and classified on the Statement of Financial Position as available-for-sale financial assets. The Group monitors its available-for-sale financial assets on a regular basis including daily monitoring of ASX listed prices and ASX releases.

The table below summarises the impact of a 10% increase/decrease in the listed share price of available-for-sale financial assets on the pre-tax profit for the year and on equity

Consolidated Entity 2012

Impact on Pre-Tax Profit		Impact on Other Components of Equity	
Increase $	Decrease $	Increase $	Decrease $
-	-	4,855,164	(4,855,164)

(g) Capital Risk Management

The Group manages capital to ensure that the Group will be able to continue as a going concern. In order to maintain or adjust the capital structure, the Group may issue new shares.

The Group defines capital as equity and net debt.

The Group defines net debt as total borrowings less cash and equity as the sum of share capital, reserves and retained earnings (or accumulated losses) as disclosed in the statement of financial position.

The Board of Directors regularly monitors capital by reviewing its future operating cashflows to ensure it maintains an appropriate amount of capital to be able to meet its exploration programs. No formal targets are in place for return on capital, or gearing ratios as the Group has not derived any income from its exploration activities and currently has no debt facilities in place.

	Consolidated Entity 2012 $	Consolidated Entity 2011 $
Equity	83,605,745	29,013,303
Net Cash/(Debt)	24,620,083	4,512,949
Surplus	108,225,828	33,526,252

24. Earnings/(Loss) Per Share

	2012 Cents Per Share	2011 Cents Per Share
Basic earnings/(loss) per share	0.08	(0.04)
Diluted earnings/(loss) per share	0.07	(0.04)

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	$	$
Profit/(loss) for the year	205,129	(79,081)

	2012 No.	2011 No.
Weighted average number of ordinary shares used in the calculation of basic EPS	254,509,608	183,865,943
Weighted average number of ordinary shares used in the calculation of diluted EPS	273,856,594	207,165,314

25. Interests In Joint Venture Operations

The Consolidated Entity has an interest in the following joint ventures as at 30 June 2012 whose principal activities were oil and gas exploration.

Permit	2012 Interest	Operator
EP417	50%	New Standard Onshore Pty Ltd
EP443	25%	New Standard Onshore Pty Ltd
EP450	25%	New Standard Onshore Pty Ltd
EP451	25%	New Standard Onshore Pty Ltd
EP456	25%	New Standard Onshore Pty Ltd
Application Area 1/09-0	25%	New Standard Onshore Pty Ltd
Application Area 2/09-0	25%	New Standard Onshore Pty Ltd
Application Area 5/09-1	25%	New Standard Onshore Pty Ltd
STP-SPA-0017	60%	New Standard Onshore Pty Ltd

The Consolidated Entity's interest in assets/liabilities venture operations are detailed below. The amounts are included in the financial statements under their respective categories.

	Consolidated Entity	
	2012	2011
Current Assets		
Cash and cash equivalents	5,296	11,952
Other current assets	95,678	57,563
Total current assets	100,974	69,515
Non-current assets		
Exploration expenditure	7,246,176	3,241,587
Total non-current assets	7,246,176	3,241,587
Share of total assets of joint venture operations	7,347,150	3,311,102
Income		
Operations overhead recovered	-	-
Interest	-	-
Other income	-	250
Total Income	-	250
	-	
Share of net income from joint venture operations	-	250

Details of joint venture agreements entered into during the year are provided in the Review of Operations.

26. Subsidiaries

Name of Entity	Country of Incorporation	Ownership Interest 2012 %	Ownership Interest 2011 %
Parent Entity			
New Standard Energy Limited	Australia		
Subsidiaries			
New Standard Onshore Pty Ltd	Australia	100	100
New Standard Energy Inc	Delaware, USA	100	100

27. Share Based Payments

Employee Share Scheme

Outlined below is a summary of the key terms of the Company's current Employee Share Plan. This plan will be replaced in the year ending 30 June 2013. Refer to the Director's Report for further details of the intended 2013 structure.

a) Eligibility: Participants in the Plan may be Directors, full-time and part-time employees of the Company or any of its subsidiaries (Participants).

b) Administration of Plan: The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.

c) Number of Shares offered: The Board determines the number of Shares offered to Participants in the Plan having regard to:

(i) the seniority of the Participant and the position the Participant occupies with the Company or any Subsidiary;

(ii) the length of service of the Participant with the Company and its Subsidiaries;

(iii) the record of employment of the Participant with the Company and its Subsidiaries;

(iv) the potential contribution of the Participant to the growth and profitability of the Company and its Subsidiaries; and

(v) any other matters which the Board considers relevant.

(d) Offer: The Board may issue an offer to a Participant to participate in the Plan. The offer:

(i) will invite application for the number of Shares specified in the offer;

(ii) will specify the issue price for the Shares;

(iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;

(iv) will specify any restriction conditions applying to the Shares;

(v) will specify an acceptance period; and

(vi) specify any other terms and conditions attaching to the Shares.

e) Issue price: the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 5 trading days up to and including the trading day before the date of the offer.

f) Restriction Conditions: Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.

g) Loan: A Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (Loan), on the following terms:

(i) the Loan will be interest free;

(ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;

(iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer;

(iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;

(v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the Plan; and

(vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates.

27. Share Based Payments (continued)

h) Unsatisfied Restriction Condition: Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the Restriction Condition is waived by the Board:

(i) arrange to sell the Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under Section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date;

(ii) apply the sale proceeds (Sale Proceeds) in the following priority:

A. first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares; and

B. second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant. The Participant acknowledges that the Company is not liable to repay the Participant any cash consideration or Loan Amount repayments except to the extent covered by the remaining Sale Proceeds; and

C. lastly, any remainder to the Company to cover its costs of managing the Plan

i) Sale of Shares to repay Loan:

(i) A Loan shall become repayable in full where:

A. the Participant (or, where the Participant is an Associate of an Eligible Employee, the Eligible Employee) ceases to be an Eligible Employee for any reason (including death);

B. the Participant suffers an event of insolvency;

C. the Participant breaches any condition of the Loan or the Plan; or

D. a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).

(i) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Shares must be sold and the Sale Proceeds applied to repay the Loan in accordance to the Plan.

(ii) Where a Loan in relation to Shares becomes repayable and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company must sell the Shares and apply the Sale Proceeds in accordance with the Plan.

j) Power of Attorney: The Participant irrevocably appoints the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.

k) Plan limit: The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Plan when aggregated with:

(i) the number of Shares issued during the previous 5 years under the Plan (or any other employee share plan extended only to Eligible Employees); and

(ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted, does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).

l) Restriction on transfer: Participants may not sell or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.

m) Quotation on ASX: The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.

n) Rights attaching to Shares: Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the Issue Date.

27. Share Based Payments (continued)

If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

	Consolidated Entity	
	2012	2011
Expenses arising from share-based payment transactions	$	$
Shares issued to directors	60,929	-
Options issued to directors	972,934	-
Shares issued to key management personnel	11,210	-
Options issued to key management personnel	380,836	10,546
Options issued other employees	24,393	-
	1,450,301	10,546

Grant date	Expiry date	Exercise price $	Balance at start of the year No.	Granted during the year No.	Exercised during the year No.	Forfeited during the year No.	Balance at the end of the year No.	Vested and exercisable at end of the year No.
2012								
3 December 2009	30 June 2012	0.225	7,250,000	-	7,250,000	-	-	-
3 December 2009	30 June 2012	0.275	7,250,000	-	7,250,000	-	-	-
29 March 2011	30 June 2013	0.225	500,000	-	-	-	500,000	250,000
29 March 2011	30 June 2013	0.275	500,000	-	-	-	500,000	250,000
20 December 2011	20 December 2014	0.385	-	6,250,000	-	-	6,250,000	3,125,000
20 December 2011	20 December 2014	0.430	-	3,750,000	-	-	3,750,000	1,875,000
24 April 2012	24 April 2015	0.810	-	300,000	-	-	300,000	-
24 April 2012	24 April 2015	0.905	-	300,000	-	-	300,000	-
9 May 2012	9 May 2015	0.535	-	300,000	-	-	300,000	-
9 May 2012	9 May 2015	0.600	-	300,000	-	-	300,000	-
			15,500,000	11,200,000	14,500,000	-	12,200,000	5,500,000
Weighted Average exercise price			0.25	0.44	0.25	-	0.42	0.39
2011								
3 December 2009	30 June 2012	0.225	7,250,000	-	-	-	7,250,000	7,250,000
3 December 2009	30 June 2012	0.275	7,250,000	-	-	-	7,250,000	7,250,000
3 December 2009	30 June 2011	0.125	4,000,000	-	4,000,000	-	-	-
3 December 2009	30 June 2011	0.150	4,000,000	-	4,000,000	-	-	-
29 March 2011	30 June 2013	0.225	-	500,000	-	-	500,000	-
29 March 2011	30 June 2013	0.275	-	500,000	-	-	500,000	-
			22,500,000	1,000,000	8,000,000	-	15,500,000	14,500,000
Weighted Average exercise price			0.21	0.25	0.14	-	0.25	0.25

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.39 years (2011 – 1.06 years)

27. Share Based Payments (continued)

Options granted as part of remuneration have been valued using a Black-Scholes option pricing model, which takes into account various factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. The expected volatility has been based on the historic volatility (based upon the life of the option) adjusted for non trading days and any expected changes to future volatility.

2012

Fair value of share options and assumptions for the year ended 30 June 2012:	
Fair value at grant date of $0.385 and $0.430 options	$0.139 - $0.156
Share price	$0.295
Exercise price	$0.385 - $0.430
Expected volatility	
(expressed as a weighted average volatility used in the modeling under Black Scholes model)	85%
Option life (expressed as weighted average life used in the modeling under Black Scholes model)	3 years
Expected dividends	0%
Risk-free interest rate (based on government bonds)	3.02%
Fair value at grant date of $0.810 and $0.905 options	$0.285 - $0.301
Share price	$0.610
Exercise price	$0.810 - $0.905
Expected volatility	
(expressed as a weighted average volatility used in the modeling under Black Scholes model)	85%
Option life (expressed as weighted average life used in the modeling under Black Scholes model)	3 years
Expected dividends	0%
Risk-free interest rate (based on government bonds)	3.05%
Fair value at grant date of $0.535 and $0.600 options	$0.257 - $0.270
Share price	$0.500
Exercise price	$0.535 - $0.600
Expected volatility	
(expressed as a weighted average volatility used in the modeling under Black Scholes model)	85%
Option life (expressed as weighted average life used in the modeling under Black Scholes model)	3 years
Expected dividends	0%
Risk-free interest rate (based on government bonds)	2.62%

The fair value of services received in return for share options have been fair valued based upon the fair value of equity securities granted, measured using a Black Scholes model. The fair value of the options issued has been used, as the fair value of the services cannot be reliably measured.

2011

Fair value of share options and assumptions for the year ended 30 June 2011:	
Fair value at grant date of $0.225 and $0.275 options	$0.037 - $0.052
Share price	$0.160
Exercise price	$0.225 - $0.275
Expected volatility	
(expressed as a weighted average volatility used in the modeling under Black Scholes model)	90%
Option life (expressed as weighted average life used in the modeling under Black Scholes model)	2.25 years
Expected dividends	0%
Risk-free interest rate (based on government bonds)	5.75%

The fair value of services received in return for share options have been fair valued based upon the fair value of equity securities granted, measured using a Black Scholes model. The fair value of the options issued has been used, as the fair value of the services cannot be reliably measured.

28. Contingencies

There were no material contingent liabilities or contingent assets for the Company or the Group as at 30 June 2012 or as at the date of the report other than those disclosed at Note 19 Commitments for Expenditure.

29. Parent Entity Information

The following details information related to the parent entity, New Standard Energy Limited, as at 30 June 2012. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2012 $	2011 $
Current assets	73,198,756	29,824,786
Non-current assets	21,452,746	99,818
Total assets	94,651,502	29,924,604
Current liabilities	897,840	408,016
Non-current liabilities	9,826,180	26,172
Total liabilities	10,724,020	434,188
Contributed equity	62,786,779	33,545,738
Accumulated losses	(12,563,947)	(13,291,876)
Reserves	33,704,649	9,236,554
Total equity	83,927,481	29,490,416
Profit/(loss) for the year	727,929	(1,320,279)
Other comprehensive income for the year	36,476,637	3,675,000
Total comprehensive income for the year	37,204,566	2,354,721

There were no material contingent liabilities or assets for the parent entity as at 30 June 2012, or as at the date of the report, other than those already disclosed elsewhere in the report.

30. Events After The Reporting Date

On 16 July 2012, the Company announced the appointment of Phil Thick as a Non-Executive Director of New Standard Energy Ltd. Mr Thick's appointment completed New Standard's board expansion and skills enhancement program, and provides substantial downstream and development experience to the company at an important time in its corporate history.

On 16 July 2012, the Company also announced the appointment of Ken Aitken as General Manager of Operations and Engineering for the Company. Mr Aitken has primary responsibility as Project Manager for the Goldwyer operations and will also assume responsibility for the engineering and operations planning for the emerging Merlinleigh Project.

On 2 August 2012 New Standard sold 5 million Buru Energy Limited shares at a price of $3.18 per share to realise cash proceeds of $15.9 million before costs. The share sale proceeds increased the Company's cash position to in excess of $40 million and provide a more stable and balanced mix of cash and investments on the balance sheet. The transaction is tax effective and no taxation liability is expected to arise given the current carried forward losses available to the Company.

On 13 August 2012, the Company announced it had successfully converted its Merlinleigh Special Prospecting Authority acreage to granted exploration permits after securing native title agreement with the Gnulli Native Title Claim Group (Gnulli) and executing all necessary agreements and State Deeds with both the Gnulli and Western Australian Department of Mines and Petroleum (DMP). The execution of these documents triggered an offer for the grant of two exploration permits from the DMP which New Standard formally accepted via its wholly owned subsidiary New Standard Onshore Pty Ltd. The granting of the exploration permits paves the way for access to the Merlinleigh Project acreage and provides the ability for on ground exploration activity to commence during 2013.

On 20 August 2012, the Company announced that its Nicolay #1 well was spudded on Saturday 18th August 2012, commencing the first of a three well drilling program on the Goldwyer Project in the Canning Basin. With a target depth of approximately 3,450 metres, the primary objective of the vertical Nicolay #1 well is to gather a comprehensive, modern data set over a large section of the Goldwyer formation (primary target) via a detailed program consisting of mud logging, full coring and electric wireline logs to be taken over a significant thickness of prospective Goldwyer formation. Information regarding the secondary targets of the overlying Bongabinni and Nita formations will also be gathered. Following data acquisition, a detailed set of scientific studies and analysis will be undertaken to fully assess the Goldwyer formation's prospectivity in addition to targeted reservoir evaluation to be undertaken on site to gather detailed information on reservoir pressures and fracture potential of the Goldwyer formation. This information will assist in identifying which section(s) within the Goldwyer formation has the most prospective characteristics and help refine and delineate potential future target zones as a result.

On 7 September 2012, S&P Dow Jones Indices announced the changes in the S&P/ASX indices, effective after the close of trading on 21 September 2012, as a result of the September quarterly review. At this rebalance, the S&P/ASX 300 index hierarchy was reviewed and New Standard Energy Ltd was added to this index.

Other than the above, there has been no other matter or circumstance that has arisen since the end of the year that requires disclosure.

Shareholder Information

As at 21 September 2012

The shareholder information set out below was applicable as at 21 September 2012.

1. Distribution of Shareholders

(a) Analysis of number of shareholders by size of holding.

Category of holding	Holders	Number of shares	% of capital
1 - 1,000	192	84,339	0.03%
1,001 - 5,000	622	1,975,951	0.65%
5,001 - 10,000	531	4,545,580	1.49%
10,001 - 100,000	1,495	58,148,595	19.04%
100,001 and over	324	240,577,382	78.79%
Total	3,164	305,331,847	100.00%

(b) There are 197 shareholders with less than a marketable parcel of ordinary shares.

2. Twenty Largest Shareholders

The names of the twenty largest shareholders by account holding of quoted ordinary shares are listed below:

Shareholder	Holding	%
Buru Energy Ltd	18,057,930	5.91
J P Morgan Nominees Aust Ltd	16,818,640	5.51
National Nominees Ltd	15,866,625	5.20
HSBC Custody Nominees Aust Ltd	12,936,176	4.24
Phoenix Props Int PL	9,508,453	3.11
TC Inv Pte Ltd	8,250,000	2.70
Deck Chair Holdings PL	7,600,000	2.49
Young Alan	6,905,252	2.26
Harris Richard J & S E	5,650,834	1.85
Carossa Holdings PL	5,400,000	1.77
Willis Samuel J C & Willis C M	5,150,000	1.69
Tilpa PL	4,770,000	1.56
Harris Richard & Susan	4,402,166	1.44
Bond Street Custs Ltd	3,346,862	1.10
Citicorp Nominees PL	2,904,237	0.95
William Taylor Nominees PL	2,700,000	0.88
Citicorp Nominees PL	2,586,339	0.85
Paton Ian Mark	2,500,000	0.82
Blackburne Bruce	2,150,000	0.70
Bayrunner PL	2,069,000	0.68
Total	139,572,514	45.71

3. Substantial Shareholders

As at 21 September 2012, the Company has received substantial notices from the following shareholders:

Name of Shareholder	No of shares	% of Issued Capital at the Time of Notice
Acorn Capital Limited	19,831,543	7.01
Buru Energy Limited	18,057,930	7.88

Note: The above details may not reconcile to the information in the Twenty Largest Shareholders list as revised substantial shareholders notices had not been received by the Company as at 21 September 2012.

4. Voting Rights

At a general meeting of shareholders:

(a) On a show of hands, each person who is a member or sole proxy has one vote.

(b) On a poll, each shareholder is entitled to one vote for each fully paid share.

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