NEW STANDARD ENERGY LIMITED

ACN 119 323 385

Annual Report for the Year Ended 30 June 2021

CORPORATE DIRECTORY

Board of Directors

Kunfang Liu	Non-Executive Chairman
Xiaofeng Liu	Managing Director
Ming Li	Non-Executive Director
Peng Zhang	Non-Executive Director

Company Secretary

Ming Li

Place of Business

Unit 1, 117 Brisbane Street
Perth WA 6000
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Fax: +61 (8) 9227 9280
Web: 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 Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000

ASX Code | NSE

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CHAIRMAN'S LETTER

Dear Shareholders

The past financial year continued to be a challenging year. Notwithstanding countries and governments have implemented unprecedented measures and restrictions to prevent the spread of COVID-19, the number of infections is continuing to surge while the global economy has continued to be disrupted.

Despite the challenges, your Board remains committed to focus on identifying new opportunities, meeting its obligations and reducing costs for New Standard Energy Limited (New Standard or Company).

The main activities for 2020/2021 were:

- completion of site visits to Carnarvon and Canning Basin;
- completion of an environmental audit report which was delivered to DMIRS; and
- Focus on desktop review program to identify new energy projects.

The main goals for 2021/2022 are:

- Secure a major new project or business to drive the company into the future;
- Successful completion of a major capital raising to drive the company forward;
- resume trading on the ASX; and
- continue to work on rehabilitation of disturbance from historical exploration activities.

Finally, as announced on 7 September 2021, Ms Xiaoning Lin, NSE's former Non-executive Director, passed away following a car accident. I wish to express my sincere condolences and deepest sympathies on behalf of NSE to Ms Lin's family and friends. Ms Lin was a highly respected member of the Board and will be greatly missed by us.

Thank you for supporting New Standard Energy.

Yours sincerely

刘坤芳

Kunfang Liu
Non-Executive Chairman

DIRECTORS' REPORT

The Directors of New Standard Energy Ltd ("New Standard" or "the Company") submit herewith the consolidated financial report for New Standard and its controlled entities ("the Group") for the financial year ended 30 June 2021.

In order to comply with the provisions of the *Corporations Act 2001,* the Directors' report as follows:

REVIEW OF OPERATIONS

The Group continued to work with the Department of Mines, Industry Regulation and Safety (**DMIRS**) to consider its rehabilitation obligations that relate to historic exploration activities.

The Group engaged an independent environmental consultant to liaise with DMIRS and completed site visits to Carnarvon and Canning Basin in October and November 2020. The inspections confirmed the conditions of the relevant sites were generally the same as previously expected. The Company reported the site visits and its findings to DMIRS. An environmental audit report was submitted to DMIRS in March 2021.

The Group decided not to apply for the renewal of Permit EP481. The license expired in August 2020.

New Standard is seeking to secure new projects, both in the energy sector and in other sectors and accordingly has reviewed a number of new opportunities.

CORPORATE AND FINANCE

New Standard ended the financial year to 30 June 2021 with a cash position of $63,140. The Company has no borrowings.

New Standard continues to review and reduce overheads wherever possible. Directors' fees remain suspended and no Directors' fees have been paid since February 2015.

New Standard has also continued to review other opportunities for the Company to recover and grow both in the oil and gas space and in other areas.

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 year:

DIRECTORS

Mr Kunfang Liu

Non-Executive Chairman
(Appointed 21 December 2017)

Qualifications

B.E., MEOG, MBA

Experience

Mr Liu is the chairman of Beijing Geology & Petroleum Technology Co., Ltd. He has 15 years' experience in planning and implementing the National Project of Sidetracking Horizontal Wells' Drilling and Completion Technology for Heavy Oil and High Boiled Oil; and nearly 20 years' experience in taking charge of Science and Technology Development & Management of Petroleum Science and Technology.

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

Nil

Relevant interests in shares and options

Fully paid ordinary shares	Nil
Options over fully paid ordinary shares	Nil

Mr Xiaofeng Liu

Managing Director
(Appointed 27 November 2017, originally appointed Non-Executive Director on 16 December 2015)

Qualifications

B.Sc (Petroluem Geology Exploration)

Experience

Mr Liu is the Chief Geologist of Huizhou Energy Investment (Beijing) Co., Ltd. He has nearly 30 years' experience in the oil field including extensive experience in seismic interpretation, reservoir description and prediction and well deployment. He was previously the Director of the Oil and Gas Centre at Beijing Orion Energy Technology & Development Co., Ltd and Technical Director of Beijing Oriental Cisco Reservoir Technology Co., Ltd.

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

Nil

Relevant interests in shares and options

Fully paid ordinary shares	Nil
Options over fully paid ordinary shares	Nil

Mr Ming Li

Non-Executive Director and Company Secretary
(Appointed 21 December 2017)

Qualifications

MCS, M.Comm

Experience

Mr Li has a Master of Commerce Degree from Sydney University, and Master of Computer Studies Degree from the University of Wollongong. He has over 10 years' experience in equity investment for energy companies in Mainland China, Hong Kong and Australia, also has over 10 years' experience in oil and gas buying and selling.

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

Nil

Relevant interests in shares and options

Fully paid ordinary shares	5,900,387
Options over fully paid ordinary shares	Nil

Mr Peng Zhang

Non-Executive Director
(Appointed 21 December 2017)

Qualifications

M.Acct, AICPA

Experience

Mr Zhang holds an America Institute of Certified Public Accountants (AICPA) license, and holds an Accounting Master Degree from the University of Texas, Dallas in the United States. Mr Zhang has held multiple management positions and is experienced in auditing and consulting for both private and publicly listed companies in Mainland China, Hong Kong, America and Australia. He has more than 5 years' finance and consulting experience including working for Ernst and Young and BDO.

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

Nil

Relevant interests in shares and options

Fully paid ordinary shares	Nil
Options over fully paid ordinary shares	Nil

Ms Xiaoning Lin

Non-Executive Director
(Appointed 25 March 2019, deceased as announced on 7 September 2021)

Qualifications

M.Fin.

Experience

Ms Xiaoning (Linda) Lin was the Managing Director of Goldfields Oil and Gas Pty Ltd. She was also an independent management consultant who specialises in the professional services sector, with over 15 years' experience. After qualifying in Accounting and Finance, she worked for Asia Pacific Certified Public Account Group and gained extensive knowledge and experience in the finance sector. She established her own business, Shenzhen Huai Ri Real Estate Agent and Evaluation Company. Ms Lin completed her Master in Finance in Australia and worked as a consultant, specialising in exploring for opportunities between Australia and China.

Ms Lin was a director of Ocean Sincere and Australia Trailcraft Boats, built up the Ocean Master and Australia Trailcraft Boats brand in China, setup the production line to reduce the building cost and promote the brand internationally.

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

Nil

Relevant interests in shares and options

Fully paid ordinary shares	Nil
Options over fully paid ordinary shares	Nil

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the year were to work on its rehabilitation obligations and seeking new projects, both in the energy sector and in other sectors.

OPERATING RESULTS

The consolidated entity's net loss attributable to members of New Standard for the year ended 30 June 2021 after applicable income tax was $45,215 (2020: a loss of $361,832).

FUTURE DEVELOPMENTS

The Company is working to secure a major new project to drive the Company into the future.

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.

FINANCIAL SUMMARY

The Group reported a loss after tax of $45,215 for the year ended 30 June 2021 (2020: a loss $361,832).

The Group had a net liability of $930,137 as at 30 June 2021 (2020: a net liability of $884,922). Cash and cash equivalents have decreased by $229,284 from $292,424 at 30 June 2020 to $63,140 as at 30 June 2021.

Year ended 30 June from continuing operations	2021 $	2020 $
Revenue and other income	20,066	242
Depreciation	(10,485)	(6,990)
Operating loss before tax from continuing operations	(45,215)	(361,832)
Operating loss after tax from continuing operations	(45,215)	(361,832)
Net liabilities	(930,137)	(884,922)

CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the consolidated entity during the year.

SHARES UNDER OPTION

There were no unissued ordinary shares in the Company under option at the date of this report.

No options were granted during the year ended 30 June 2021.

ENVIRONMENTAL REGULATIONS

The New Standard group is subject to environmental regulations under relevant Australian legislation in relation to its oil and gas exploration activities, particularly with the Western Australian Department of Mines, Industry Regulation and Safety 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.

EVENTS SUBSEQUENT TO YEAR END

As announced to the market on 7 September 2021, Ms Xiaoning Lin (Linda), a Non-executive Director of the company passed away following a car accident.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had significant impact on the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2021.

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.

	Board meetings			
Directors	Held while director	Attended	Circular resolution passed	Total
Mr Kunfang Liu	1	1	4	5
Mr Xiaofeng Liu	1	1	4	5
Mr Ming Li	1	1	4	5
Mr Peng Zhang	1	1	4	5
Ms Xiaoning Lin	1	1	4	5

There were no formal Audit or Remuneration committees during the year. The Board attended to these committee responsibilities when required.

Whilst there is currently no formal nomination committee established, when required a sub-committee of the Board is delegated the responsibility for identifying suitable candidates for Board appointments. The sub-committee will engage independent external recruitment consultants as required.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During and 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.

During the financial year no premium was paid to insure Directors against claims while acting as a Director.

No indemnity has been granted to the Auditor of the Company.

NON-AUDIT SERVICES

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under s.307C of the *Corporations Act 2001* in relation to the audit of the full year is included on page 18.

REMUNERATION REPORT (AUDITED)

This remuneration report sets out the remuneration arrangements for New Standard Energy Limited (**New Standard**) for the year ended 30 June 2021. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001*.

REMUNERATION POLICY

New Standard is committed to the close alignment of executive remuneration to shareholder return. 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.

Shareholders approve the maximum aggregate remuneration for non-executive directors. The board determines actual payments to directors and reviews their remuneration annually, based on market practice, relativities, and the duties and accountabilities of directors. A review of directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

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
Executives	
X Liu	Director
Non-Executives	
K Liu	Director
M Li	Director
P Zhang	Director
X Lin*	Director

*: As announced to the market on 7 September 2021, Ms Lin deceased following a car accident.

REMUNERATION COMMITTEE

There was no Remuneration Committee during the year due to the size and nature of the Company.

EXECUTIVE REMUNERATION OUTCOME FOR 2021

Company Performance

The table below sets out summary information about the Company's continuing business assets, profitability and share price movements for the 5 years to 30 June 2021:

	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
	$	$	$	$	$
Share price	0.004	0.004	0.006	0.004	0.004
Total assets	71,368	318,103	287,907	567,997	726,226
Net profit/(loss) before tax from continued operation	(45,215)	(361,832)	(1,474,384)	(566,981)	(892,881)

Remuneration Tables

The remuneration for each Executive Director and KMP of the Company for the years ended 30 June 2021 and 30 June 2020 were as stated below:

	Short term benefits		Long term benefit	Post employment benefit	Share based payments		
	Salary	Other	Annual leave(i)	Super-annuation	Incentive rights(ii)	Total	Proportion performance related
	$	$	$	$	$	$	%
2021							
Executive Director							
Mr X Liu (iii)	–	–	–	–	–	–	0%
Total	–	–	–	–	–	–	0%
2020							
Executive Director							
Mr X Liu (iii)	–	–	–	–	–	–	0%
Total	–	–	–	–	–	–	0%

Notes

(i) Annual leave benefit include annual leave accrued, taken during the year and paid during the year.

(ii) There were no incentive rights granted in the year ended 30 June 2021 and 30 June 2020. The amount included as remuneration is not related to or indicative of the benefit (if any) that the individual may receive.

(iii) Mr Liu resigned as Non-Executive Director and was appointed Managing Director of the Company effective 27 November 2017. Mr Liu has agreed to suspend his fees and remain suspended to date until market condition improves.

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. In accordance with the Company's remuneration policy, non-executive directors are not eligible for any performance based remuneration and as such no shares or incentive rights were issued.

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:

The Non-Executive Chairman and the Non-Executive Directors have agreed to suspend all their fees starting from 1 February 2015 and remain suspended to date.

NON-EXECUTIVE REMUNERATION (CONTINUED)

Non-executive remuneration for the year ended 30 June 2021 and comparative 2020 remuneration:

	Salary and fees	Superannuation	Options	Total
	$	$	$	$
2021				
Mr K Liu	–	–	–	–
Mr M Li	–	–	–	–
Mr P Zhang	–	–	–	–
Ms X Li	–	–	–	–
Total	–	–	–	–
2020				
Mr K Liu	–	–	–	–
Mr M Li	–	–	–	–
Mr P Zhang	–	–	–	–
Ms X Li	–	–	–	–
Total	–	–	–	–

EQUITY INSTRUMENTS

OPTIONS AND INCENTIVE RIGHTS

In accordance with the Company's remuneration policy, non-executive directors are not eligible for any performance based remuneration and as such no shares or incentive rights were issued. There were no grant of options affecting remuneration in the current or future reporting periods.

INCENTIVE RIGHTS

During the year ended 30 June 2021, no Performance Rights were granted to executives as part of their remuneration packages.

There were no balance held by the executive as at 30 June 2021.

EQUITY INSTRUMENTS HELD BY KEY MANAGEMENT PERSONNEL

The table below shows the number of options, rights, and shares held in the Company during the financial year by Key Management Personnel, including their close family members and entities related to them.

		During the Year		Balance at end of year
Name	Balance at start of year	Granted	Others	TOTAL
Mr K Liu				
Ordinary shares	–	–	–	–
Mr X Liu				
Ordinary shares	–	–	–	–
Mr M Li				
Ordinary shares	5,900,387	–	–	5,900,387
Mr P Zhang				
Ordinary shares	–	–	–	–
Ms X Lin				
Ordinary shares	–	–	–	–

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions with Key Management Personnel during the year.

EMPLOYMENT ARRANGEMENTS FOR KEY MANAGEMENT PERSONNEL

The employment arrangements of the KMPs are formalised in standard employment agreements. Details for the termination provisions contained in the agreements that were in place at 30 June 2021 are provided below.

Name	Engagement	Term of contract	Notice period by either party	Termination benefit
Mr X Liu	Employee	Ongoing	4 weeks	4 weeks
			No notice required for termination by Company for cause	
Mr K Liu	Employee	Ongoing	None	None
Mr M Li	Employee	Ongoing	None	None
Mr P Zhang	Employee	Ongoing	None	None
Ms X Lin	Employee	Ongoing	None	None

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.

刘坤芳

Kunfang Liu
Non-executive Chairman

Beijing, 24 September 2021

DIRECTOR'S DECLARATION

In the directors' opinion:

(a) the consolidated 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 2021 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the consolidated entity 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

(d) the directors have been given the declarations by Mr Liu who performs both the Chief Executive Officer and the Chief Financial Officer functions as required by section 295A of the *Corporations Act 2001*.

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

Kunfang Liu
Non-executive Chairman

Beijing, 24 September 2021

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 a company of New Standard's size and complexity.

The 4th edition of the ASX Corporate Governance Principles and Recommendations was released on 27 February 2019 and took effect for a listed entity's first full financial year ending on or after 1 January 2020. Accordingly this Corporate Governance Statement has been prepared on the basis of disclosure under the 4th edition of these principles with a table included at the back of this statement detailing the Company's compliance with these principles during the year.

This statement describes how New Standard has addressed the Council's guidelines and eight corporate governance principles and where the Company's corporate governance practices depart from a recommendation, the Company discloses the reason for adoption of its own practices on an "if not, why not" basis.

Given the size and stage of development of the Company and the cost of strict compliance with all the recommendations, the Board has adopted a range of modified procedures and practices which it considers appropriate to enable it to meet the principles of good corporate governance. At the end of this statement is a checklist setting out the recommendations with which the Company does or does not comply. The information in this statement is current as at 24 September 2021.

The following governance-related documents can be found on the Company's website at www.newstandard.com.au under the section marked "Governance".

CHARTERS

- Board

POLICIES AND PROCEDURES

- Code of Conduct
- Shareholder Communications
- Continuous Disclosure Policy
- Securities Trading Policy
- Diversity Policy
- Risk Management Policy
- Health & Safety Policy
- Environment Policy
- Indigenous and Community Policy

Principle 1: Lay solid foundations for management and oversight

Role and Responsibilities of the Board and Management

The main function of the Board is to lead and oversee the management and strategic direction of the Company. The Board regularly measures the performance of Management in implementation of the strategy through Board meetings and/or regular informal meetings.

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.

A copy of the Board Charter can be accessed at www.newstandard.com.au under the section marked "Governance"

Role of the Board

The Board responsibilities are as follows:

- 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 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;

Role of the Board (cont'd)

- 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;
- 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.
- Establishing a diversity policy and setting objectives for achieving diversity.

Delegation to Management

Other than matters specifically reserved for the Board, responsibility for the operation and administration of the Company has been delegated to the Managing Director.

Internal control processes are designed to allow management to operate within the parameters approved by the Board and the Managing Director cannot commit the Company to additional activities or obligations in excess of these delegated authorities without specific approval of the Board.

Election of Directors

The Board is responsible for overseeing the selection process of new directors, and will undertake appropriate checks before appointing a new director, or putting forward a candidate for election as a director. All relevant information is to be provided in the Notice of Meeting seeking the election or re-election of a director including:

- biographical details including qualifications and experience;
- other directorships and material interests;
- term of office;
- statement by the board on independence of the director;
- statement by the board as to whether it supports the election or re-election; and
- any other material information.

The Company did not appoint new directors during the year. Ms Xiaoning Lin and Mr Peng Zhang were re-elected as directors at NSE's 2020 Annual General Meeting on 30 November 2020. Their materia information were disclosed in the Notice of Annual General Meeting.

Terms of appointment

Non-Executive Directors

To facilitate a clear understanding of roles and responsibilities all non-executive directors have signed letter of appointment. This letter of appointment letter includes acknowledgement of:

- director responsibilities under the Corporations Act, Listing Rules, the Company's Constitution and other applicable laws;
- corporate governance processes and Company policies;
- board and board committee meeting obligations;
- conflicts and confidentiality procedures;
- securities trading and required disclosures;
- access to independent advice and employees;
- confidentiality obligations;
- directors fees;
- expenses reimbursement;
- directors and officers insurance arrangements;
- other directorships and time commitments; and
- board performance review.

Managing Director

The Managing Director has a signed executive services agreement. For further information refer to the audited Remuneration Report.

Role of Company Secretary

The Company Secretary is accountable to the Board for:

- advising the Board and committees on corporate governance matters;
- the completion and distribution of board and committee papers;
- completion of board and committee minutes; and
- the facilitation of director induction processes and ongoing professional development of directors.

All directors have access to the Company Secretary who has a direct reporting line to the Chairman.

Diversity

The Board values diversity in all aspects of its business and is committed to creating a working environment that recognises and utilizes the contribution of its employees. The purpose of this is to provide diversity and equality relating to all employment matters. The Company's policy is to recruit and manage on the basis of ability and qualification for the position and performance, irrespective of gender, age, marital status, sexuality, nationality, race/cultural background, religious or political opinions, family responsibilities or disability. The company opposes all forms of unlawful and unfair discrimination.

The Board acknowledges only one female sat on the Board of Directors during the year. However, the Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Company has not set or disclosed measurable objectives for achieving gender diversity. Due to the size of the Company, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

Apart from the Managing Director, the Company currently only has one part-time male employee. The Company contracts consultants who consist of both female and male.

Performance review

Board and board committees

A review of the Board's performance and effectiveness is generally conducted annually and the performance of individual directors is undertaken regularly. The Board has the discretion for these reviews to be conducted either independently or on a self-assessment basis.

Each year the Board will undertake the following activities: The Chairperson will meet with each non-executive director separately to discuss individual performance and ideas for improvement. The board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement.

A formal review of the Board's performance and effectiveness in respect of the financial year ended 30 June 2021 was not undertaken.

Managing Director and senior executives

Performance evaluation of the Managing Director and senior executives is generally conducted annually through a performance appraisal process which involves reviewing and assessment of performance against agreed corporate and individual key performance indicators and deliverables.

Each year the Board reviews the Company's strategy. Following such a review the Board sets the organisation performance objectives based on qualitative and quantitative measures. These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business. These objectives form part of the performance targets for the Managing Director. Performance against these objectives is reviewed annually by the Board and is reflected in the Managing Directors remuneration review.

The Company currently does not have senior executives.

A formal review of the Managing Director's performance and effectiveness in respect of the financial year ended 30 June 2021 was not undertaken.

Retirement and rotation of directors

Retirement and rotation of directors are governed by the *Corporations Act 2001* and the Constitution of the Company. Each year, one third of directors must retire and may offer themselves for re-election. Any casual vacancy filled will be subject to shareholder vote at the next Annual General Meeting.

Two directors were re-elected in the Company's 2020 Annual General Meeting. It is intended for two directors to be re-elected at the Company's 2021 Annual General Meeting.

Independent Professional Advice

Each director of the Company or a controlled entity has the right to seek independent professional advice at the expense of the Company or the controlled entity; however prior approval of the Chairman is required which will not be unreasonably withheld.

Access to employees

Directors have the right of access to any employee. Any employee shall report any breach of corporate governance principles or Company policies to the Managing Director who shall remedy the breach. If the breach is not rectified to the satisfaction of the employee, they shall have the right to report any breach to an independent director without further reference to senior executives of the Company.

Directors' and officers' liability insurance

The Company is responsible for maintaining the Directors' and officers' liability insurance for the Directors and senior executives at the Company's expense. The directors' and officers' liability insurance lapsed in prior years and the Company is committed to ensure the insurance policy is organised as soon as practical.

Board meetings

The frequency of board meetings and the extent of reporting from management at board meetings are as follows:

- scheduled meetings are to be held per year;
- other meetings will be held as required;
- meetings can be held where practicable by electronic means;
- information provided to the Board includes all material information related to the operations of the Company including exploration, development and production operations, budgets, forecasts, cash flows, funding requirements, investment and divestment proposals, business development activities, investor relations,
- financial accounts, taxation, external audits, internal controls, risk assessments, people and health, safety and environmental reports and statistics;
- the Chairman of the appropriate board committee reports to the next subsequent board meeting the outcomes of that meeting and the minutes of those committee meetings are also tabled.

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are set out in the Directors' Report.

Principle 2: Structure the Board to add value

Composition of the Board

The names of the directors of the Company and their qualifications are set out in the section headed "Information on Directors" in the current financial year's Directors' Report.

The composition of the Board has been structured so as to provide New Standard with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives 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 the Board should constitute of a majority of independent directors and that the Chairperson should be independent. During the year, the Board consisted of five (5) directors of whom three (3) are considered independent, Mr Kunfang Liu, Mr Peng Zhang and Ms Xiaoning Lin. Mr Ming Li holds ordinary securities in the Company and does not meet the criteria for an independent director. Mr Xiaofeng Liu serves in an executive roles from 27 November 2017 and therefore does not meet the criteria for an independent director. The length of Mr Xiaofeng Liu's service is 2.5 years.

As announced on 7 September 2021, Ms Xiaoning Lin deceased following a car accident. The Board currently has four (4) directors and is actively seeking a new replacement.

The detailed skills matrix of the Board for a company of New Standard's size and complexity is as follows:

Mr Kunfang Liu – Geologist & Corporate Management, Energy Industry; Mr Xiaofeng Liu – Geologist; Mr Peng Zhang, Finance Management; Mr Ming Li, Corporate Finance.

All current Non-executive directors were appointed on 21 December 2017. The length of services of Mr Liu, Mr Li and Mr Zhang is 3.5 years.

The principal business of the Company at present is exploration and new business opportunities, therefore requiring a skillset of geological and geophysical expertise, executive management, financial and commercial skills.

Independence of Chair of the Board

The Current Chair of the Company, Mr Liu, is an independent director. The Board considers Mr Liu's role as Non-Executive Chairman essential to the success of the Group in its current stage, wherein the Group continues to refine its focus on the strategic development of the business.

Nomination of other Board Members

Membership of the Board of Directors is reviewed on an on-going basis by the Chairperson of the Board to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its objectives. The Board does not have a separate Nomination Committee and does believe it is necessary in a Company of New Standard's size.

Director induction and ongoing professional development

The Company does not have a formal induction program for Directors but does provide Directors with information pack detailing policies, corporate governance and various other corporate requirements of being a director of an ASX Listed company. Due to the size and nature of the business, Directors are expected to already possess a level of both industry and commercial expertise before being considered for a directorship of the Company. Directors are provided with the opportunity to access employees of the business and any information as they require about the business including being given access to regular news articles and publications where considered relevant.

Principle 3: Act ethically and responsibly

Value

The Company's value is to create wealth for shareholders by exploring for and developing oil & gas deposits in a responsible manner.

Code of Conduct

Directors, officers, employees and consultants to the Company are required to observe high standards of behavior and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

New Standard's ethical rules demands 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 behavior;
- Provide a framework for the Company to achieve a diverse and skilled workforce.

Whistleblower Policy

New Standard currently does not have a formal whistleblower policy. The Company currently has only one employee who has contact details of the Board and the Company Secretary. If any employee has concerns, they can directly report to the Board.

Anti-bribery Policy

The Company does not have an anti-bribery and corruption policy. The main business activities of the Company are oil & gas exploration. The Company considers the risk of giving bribes and corruption is low.

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Principle 4: Safeguard integrity in 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.

New Standard does not have an audit committee. The whole Board of directors has tasks with 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.

New Standard releases quarterly reports and other market announcements from time to time that are not audited or reviewed by an external auditor. The reports are reviewed and approved by the Managing Director or the Chairman. The periodical reports are verified with external information such as bank statements or data from external consultants. The Managing Director will have a final review on the periodic corporate reports.

In discharging its oversight role, the Board 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 Board before it approves the financial statements, receive the Managing Director (acting as CEO & CFO) a declaration that, in his opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Managing Director reports 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 Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis.

The Company's external auditor attends each Annual General Meeting and is available to answer questions from shareholders relevant to the conduct of the external audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

Principle 5: Make timely and balanced disclosure

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 Board delegate the Managing Director to have ultimate authority and responsibility for approving market disclosure which, in practice, is exercised in consultation with the Board and external consultant if it is needed. All announcements are reviewed and approved by the Managing Director or the Chairman but the Board does not receive copies after they have been made.

Principle 6: Respect the rights of shareholders

The Board's fundamental responsibility to shareholders is to work towards meeting the Company's objectives so as to add value for them. The Board maintains an investor relation program which will inform shareholders of all major developments affecting the Company by:

- preparing half yearly and yearly financial reports;
- preparing quarterly cash flow reports and reports as to activities;
- making announcement in accordance with the listing rules and the continuous disclosure obligations;
- posting all of the above on the Company's website;
- annually, and more regularly if required, holding a general meeting of shareholders and forwarding to them the annual report, if requested, together with notice of meeting and proxy form; and
- voluntarily releasing other information which it believes is in the interest of shareholders.

The Annual General Meeting enables shareholders to discuss the annual report and participate in the meetings either by attendance or by written communication. The Company provides all shareholders with a Notice of Meeting so they can be fully informed and be able to vote on all resolutions at the Annual General Meeting. Shareholders are able to discuss any matter with the directors and/or the auditor of the Company who is also invited to attend the Annual General Meeting. All resolutions were decided by a poll at the Company's 2020 Annual General Meeting.

Shareholders have the option to receive all Company and share registry communications electronically, and may also communicate with the Company by emailing the Company via its website. All shareholders have the ability to request copies of ASX releases, all of which are published and available on the Company's website immediately after they are released to ASX.

The Company regularly reviews its stakeholder communication policy and endeavours to maintain a program appropriate for a company of its size and complexity.

Principle 7: Recognise and manage risk

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegate's day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board does not have a separate Risk Management Committee. The Board monitors and reviews the integrity of financial reporting and the Company's internal financial control systems. A report by management on the effectiveness of the internal financial control is provided to the Managing Director on an annual basis.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- Establishment of financial control procedures and authority limits for management;
- Approval of an annual budget;
- Adoption of a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- Adoption of a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.
- Maintenance and review of a risk register to identify the Company's material business risks and risk management strategies for these risks. Management reports to the Board on material business risks at each Board meeting.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the material business risks of the Company. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the Reporting Period.

The Managing Director has provided a declaration to the Board in accordance with section 295A of the Corporations Act and has assured the Board that such declaration 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 risks.

Internal Audit

The Company does not have an internal audit function as the Board believes the business is neither the size nor complexity that requires such a function. The whole Board is responsible for monitoring the effectiveness of internal controls, risk management procedures and governance.

Sustainability Risks

The Company has a detailed risk matrix which it regularly reviews and which highlights critical risk factors the Company faces at any particular time. The principal risks highlighted are what would typically be expected for a small listed exploration company and include:

- Reliance on key executives
- Inability to access new exploration capital
- Volatility in oil prices and applicable exchange rates
- Unsuccessful exploration results
- Exposure to other operators, be it through Joint Venture agreements or actions of those operators in an operational sense
- Legislature changes in jurisdictions the Company operates in (e.g. hydraulic fracturing ban in France)

As the Company expands its activities either within existing projects or with the addition of new projects, it is expected that the sustainability risks will change accordingly. These Board reviews the overall sustainability of both the oil and gas exploration business and more specifically, the Company, in its normal course of business and therefore does not produce a separate sustainability report.

Principle 8: Remunerate fairly and responsibly

The whole Board does not have a Remuneration Committee. Since all directors have agreed to suspend their directors' fee the Board consider not necessary to establish a remuneration committee for the moment.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report. The Company's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. From time-to-time the Company may grant options to non-executive directors. The grant of options is designed to recognise and reward efforts as well as to provide non-executive directors with additional incentive to continue those efforts for the benefit of the Company. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by the shareholders at general meeting.

Pay and rewards for executive directors and senior executives consists of a base salary and performance incentives. Long term performance incentives may include options and/or performance rights granted at the discretion of the Remuneration Committee and subject to obtaining the relevant approvals. The grant of options and/or performance rights is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Remuneration Committee Charter includes a statement regarding the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested elements under any equity based remuneration schemes.

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 incentives designed to retain and motivate Board and Key Management Personnel in bringing more value to the Company.

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF NEW STANDARD ENERGY LIMITED

As lead auditor of New Standard Energy Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of 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.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 24 September 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of New Standard Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New Standard Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Rehabilitation Provision

Key audit matter	*How the matter was addressed in our audit*
As at 30 June 2021, as disclosed in Note 16 of the financial report, the group recognises a significant provision for rehabilitation. The rehabilitation provision is required to be reassessed each reporting period to reflect the best estimate of future costs necessary to restore the land and the estimated timing of when those costs will be incurred. We considered this a key audit matter due to the determination of the provision requires management's judgement in relation to estimating the costs of performing the work required, including volume and unit rates and environmental legislative requirements.	Our procedures included, but were not limited to the following: • agreeing provision balances to supporting reconciliations and cost models; • assessing the mathematical accuracy of the provision of rehabilitation calculations; • assessing the independence, competency and objectivity of the Group's external expert involved with rehabilitation expenditure estimates; • evaluating the adequacy of the experts work; • assessing the adequacy of the related disclosures in Note 1 and Note 16 in the financial report at 30 June 2021

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of New Standard Energy Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 24 September 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2021

	Note	2021 $	2020 $
Revenue and other income	2	**20,066**	242
Depreciation expenses	3	**(10,485)**	(6,990)
Administrative expenses	3	**(197,964)**	(261,056)
Reversal of an accrual of consulting fee		**132,767**	-
Impairment of exploration and evaluation expenditure		**–**	(44,424)
Provision for rehabilitation	16	**19,317**	–
Fair value loss on other financial assets		**(8,916)**	(49,604)
Loss before income tax expense		**(45,215)**	(361,832)
Income tax expense	4	**–**	–
Loss after income tax for the year		**(45,215)**	(361,832)
Other comprehensive income for the year		**–**	–
Total comprehensive loss for the year		**(45,215)**	(361,832)
Total comprehensive loss for the year is attributable to:			
Owners of the Company		**(45,215)**	(361,832)
		Cents Per Share	**Cents Per Share**
Basic loss per share attributable to the ordinary equity holders of the Company	14	**(0.01)**	(0.04)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Note	2021 $	2020 $
Current Assets			
Cash and cash equivalents	21(a)	**63,140**	292,424
Trade and other receivables	6	**3,859**	1,909
Financial assets at fair value through profit and loss	7	**–**	2,514
Total Current Assets		**66,999**	296,847
Non-Current Assets			
Financial assets at fair value through profit and loss	7	**–**	6,402
Right-of-use assets	9	**4,369**	14,854
Total Non-Current Assets		**4,369**	21,256
Total Assets		**71,368**	318,103
Current Liabilities			
Trade and other payables	10	**74,416**	217,260
Rehabilitation provision	16	**922,511**	970,690
Lease liabilities	17	**4,578**	10,497
Total Current Liabilities		**1,001,505**	1,198,447
Non-Current Liabilities			
Lease liabilities	17	**–**	4,578
Total Non-Current Liabilities		**–**	4,578
Total Liabilities		**1,001,505**	1,203,025
Net Assets		**(930,137)**	(884,922)
Equity			
Issued capital	11	**69,762,264**	69,762,264
Reserves	12	**29,792**	29,792
Accumulated losses	13	**(70,722,193)**	(70,676,978)
Total Equity		**(930,137)**	(884,922)

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 2021

	Note	Issued Capital	Accumulated Losses	Reserves	Total
		$	$	$	$
Equity as at 1 July 2020		**69,762,264**	**(70,676,978)**	**29,792**	**(884,922)**
Loss for the year		**–**	**(45,215)**	**–**	**(45,215)**
Total comprehensive expense		**–**	**(45,215)**	**–**	**(45,215)**
Transactions with owners in their capacity as owners;					
Issue of shares, net of transaction costs	11	**–**	**–**	**–**	**–**
Equity as at 30 June 2021		**69,762,264**	**(70,722,193)**	**29,792**	**(930,137)**
Equity as at 1 July 2019		69,365,813	(70,315,146)	29,792	(919,541)
Loss for the year		–	(361,832)	–	(361,832)
Total comprehensive expense		–	(361,832)	–	(361,832)
Transactions with owners in their capacity as owners;					
Issue of shares, net of transaction costs	11	396,451	–	–	396,451
Equity as at 30 June 2020		69,762,264	(70,676,978)	29,792	(884,922)

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and employees		**(238,441)**	(263,195)
Interest received		**66**	242
Government grants		**20,000**	–
Finance cost		**(412)**	(504)
Net cash used in operating activities	**21(b)**	**(218,787)**	(263,457)
Cash flows from investing activities			
Payment for exploration, evaluation and development		–	(44,424)
Net cash used in investing activities		–	(44,424)
Cash flows from financing activities			
Payments for lease liabilities		**(10,497)**	(6,769)
Proceeds from issue of shares		–	400,020
Payments for share issue costs		–	(3,569)
Net cash flows provided by financing activities		**(10,497)**	389,682
Net increase/(decrease) in cash and cash equivalents		**(229,284)**	81,801
Cash and cash equivalents at beginning of the financial year		**292,424**	210,623
Cash and cash equivalents at the end of the financial year	**21(a)**	**63,140**	292,424

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of accounting policies

CORPORATE INFORMATION

New Standard Energy Limited (**New Standard** or **Company**) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The address of the Company's registered office and principal place of business is Unit 1, 117 Brisbane Street, Perth WA 6000.

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 complies 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 24 September 2021.

BASIS OF PREPARATION

The consolidated financial statements have been prepared on the basis of historical cost convention, as modified by the fair value of financial assets in subsequent period. New Standard Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2021.

GOING CONCERN

During the year the consolidated entity incurred a net loss after income tax for the year ended 30 June 2021 of $45,215 (2020: a loss of $361,832), incurred net cash outflows from operating and investing activities of $218,787 (2020: outflow $307,881), and had net working capital deficiency of $934,506 at 30 June 2021.

The financial statements have been approved by the Directors on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID19 pandemic on the position of the Group at 30 June 2021 and its operations in future periods. The ability of the consolidated entity to continue as a going concern is dependent on the financial support received from the major shareholder and directors and/or its ability to secure additional funding through capital raisings as and when required to continue to meet its working capital requirements, including the rehabilitation obligation, and the successful realisation of new investment opportunities in the next 12 months. These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that they will be able to raise additional capital as required and that the Group will continue as a going concern and as a result the financial report has been prepared on a going concern basis. In arriving at this position the Directors have considered the following pertinent matters:

- In response to preserve the Company's cash flow, all directors have agreed to suspend the directors' remuneration until market conditions improve, starting from 1 February 2015 and remain suspended to date and until the consolidated entity has the financial capacity to pay the directors;
- The Company has received the financial support through a loan facility from its major shareholder if required; and the directors are comfortable with its capacity to provide the support;
- The Company is reviewing a number of opportunities in both energy and other sectors; and
- Should it be required the Directors are satisfied that they will be able to raise additional funds by either a form of equity raising, implementing strategic joint ventures to fund its rehabilitation obligation, new acquisitions, and for working capital.

However, should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that are different from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of accounting policies (cont'd)

PRINCIPALS OF CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity 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.

(c) Trade and other 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 cash flows 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 Consolidated Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of accounting policies (cont'd)

(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 environmental 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.

(h) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life.

Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

1. Summary of accounting policies (cont'd)

(i) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of profit or loss and other comprehensive income.

(j) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, the financial assets are initially measured at fair value adjusted for transaction costs or amortised cost (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of accounting policies (cont'd)

(j) Financial instruments (cont'd)

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value that are recognised in profit or loss.

Impairment

From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(k) 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.

(l) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments are comprised of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(m) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of accounting policies (cont'd)

(n) 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.

(o) 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.

The Group is required to rehabilitate exploration sites to a condition acceptable to the relevant authorities. The expected cost of any approved rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. Expected rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared. Where there is a change in the expected rehabilitation costs, the value of the provision is adjusted and the effect is recognised in profit or loss. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances.

(p) Foreign currency translation

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.

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.

(q) 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.

(r) Government Grants

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

(s) Adoption of new and revised accounting standards

The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for the current year. The adoption of AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material,* AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Concept Framework and* AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia* did not have any impact on the on the consolidated financial statements of, not is there expected to be any future impact to the Group.

Standards and interpretations issued not yet effective

At the date of authorisation of the Financial Statements, any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The potential effect of the revised Standards on the Company's financial statements has not yet been determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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.

Rehabilitation Provision

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, inflation and other factors. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the business operation, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		2021 $	2020 $
2.	**Revenue and other income**		
	Other income:		
	Interest income	66	242
	Government grants	20,000	–
	Total Revenue and other income	20,066	242
3.	**Expenses**		
	Depreciation expenses	10,485	6,990
	Administrative expenses		
	Employee benefit expenses	27,024	28,816
	Professional fees	145,798	153,649
	Occupancy expenses	1,173	8,899
	Other administrative expenses	23,969	69,692
	Total administrative expenses	197,964	261,056
4.	**Income tax expenses**		
(a)	**The components of tax expense comprise:**		
	Current tax	–	–
	Deferred tax	–	–
		–	–
	Deferred tax expense/(benefit) included in income tax expense comprises:		
	Decrease in deferred tax assets	–	–
	Increase in deferred tax liabilities	–	–
		–	–
(b)	**The prima facie tax from ordinary activities before income tax is reconciled to the income tax expense as follows:**		
	Loss before tax	(45,215)	(361,832)
	Tax benefit calculated at 30% (2020: 30%)	(13,565)	(108,550)
	Tax effect of amount which are not deductible/(taxable) in calculating taxable income:		
	Other permanent difference	–	–
		(13,565)	(108,550)
	Tax losses and timing differences not recognised	13,565	108,550
	Income tax benefit	–	–

The Company will have no tax payable due to prior year losses carried forward and tax deductible exploration expenditure.

New Standard Energy Limited and its wholly owned Australian controlled entities elected to enter into the tax consolidation legislation from 1 July 2008. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, New Standard Energy Limited.

		2021 $	2020 $
(c)	**Unrecognised temporary differences**		
	The following deferred tax assets and (liabilities) have not been brought to account:		
	Tax losses – revenue	21,846,449	21,179,790
	Net other temporary differences	967,061	1,701,861
		22,813,510	22,881,651
	At tax rate of 30% (2020: 30%)	6,844,053	6,864,495

	2021 $	2020 $
5. Auditors' remuneration		
Auditor of the group		
BDO Audit (WA) Pty Ltd	39,500	34,000
	39,500	34,000
6. Trade and other receivables		
Other receivables	3,859	1,909
	3,859	1,909

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 22 for the Group's risk management objectives and policies.

7. Financial assets at fair value through profit or loss

	2021 $	2020 $
Listed securities		
Current		
Sundance Energy Inc.	–	2,514
Carrying amount at the end of year	–	2,514
Non-current		
Sundance Energy Inc.	–	6,402
Carrying amount at the end of year	–	6,402

During the year the Company has received an official notice confirming Sundance Energy Inc. and its debtors had received approval from the Bankruptcy Court in the United States for its proposed Joint Prepackaged Plan of Reorganization. Full impairment provision against the Company's investments in Sundance Energy Inc. was provided as at 30 June 2021.

8. Exploration and evaluation expenditure

	2021 $	2020 $
Balance at beginning of the year	–	–
Expenditure incurred	–	44,424
Expenditure impaired (i)	–	(44,424)
Balance at end of the year	–	–

Permit EP481 expired on 18 August 2020. The Group had no other interests in the oil and gas exploration and development assets during the year and as at 30 June 2021.

	2021 $	2020 $
9. Right-of-use assets		
Right-of-use assets	21,844	21,844
Accumulated depreciation	(17,475)	(6,990)
Closing net book amount	4,369	14,854

	Right-of-use assets $	Total $
2021		
1 July 2020	14,854	–
Additions	–	21,844
Depreciation expense	(10,485)	(6,990)
Balance at 30 June 2021	4,369	14,854

10. Trade and other payables

	2021 $	2020 $
Current		
Trade payables	5,873	8,781
Sundry payables and accrued expenses	68,543	208,479
	74,416	217,260

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 22 for the Group's risk management objectives and policies.

11. Issued capital

	2021 $	2020 $
888,748,864 fully paid ordinary shares (2020: 888,748,864)	69,762,264	69,762,264

	No.	$
(a) Fully paid ordinary shares		
2020		
Balance at 1 July 2019	822,082,197	69,365,813
On 9 December 2019, issue of shares to sophisticated investors	66,666,667	400,020
Less: Transaction costs arising from issue of shares	–	(3,569)
Balance at 30 June 2020	888,748,864	69,762,264
2021		
There were no movements of fully paid ordinary shares during the year.		
Balance at 1 July 2020 & 30 June 2021	888,748,864	69,762,264

(b) Terms and conditions of Issue 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		2021 $	2020 $
12.	**Reserves**		
	Financial asset reserve	29,792	29,792
		29,792	29,792
	Movements in financial asset		
	Balance at the beginning of the year	29,792	29,792
	Fair value of financial assets	–	–
	Balance at the end of the year	29,792	29,792

Nature and purpose of reserve

The financial asset revaluation reserve represents the unrealised gain or loss on the market value of financial asset valued through profit or loss.

		2021 $	2020 $
13.	**Accumulated losses**		
	Balance at the beginning of the year	(70,676,978)	(70,315,146)
	Net loss attributable to members of the Company	(45,215)	(361,832)
	Balance at the end of the year	(70,722,193)	(70,676,978)

14. Loss per share

	Cents per share	Cents per share
Basic earnings/(loss) per share	(0.01)	(0.04)

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

	$	$
Loss for the year	(45,215)	(361,832)
	No.	**No.**
Weighted average number of ordinary shares used in the calculation of basic EPS	888,748,864	859,342,197

15. Dividends

There have been no dividends paid or proposed in the 2021 or 2020 financial years.

16. Rehabilitation provision

	2021 $	2020 $
Beginning of the year	970,690	970,690
Changes in rehabilitation provision	(19,317)	–
Amounts spent during the year	(28,862)	–
End of the year	922,511	970,690

The rehabilitation provision represents the present value of rehabilitation costs as a result of its previous exploration activities. These provisions have been created based on an assessment performed by an independent consultant. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs related to five directions on permits EP450, EP451, EP456 and EP481, will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time.

17. Lease liabilities

	2021 $	2020 $
Lease Payable		
Current	4,578	10,497
Non-current	–	4,578
	4,578	15,075

18. Commitments for expenditure

Leases		
Not longer than 1 year	–	–
	–	–
Exploration Permits and Oil and Gas Leases – Commitments for Expenditure		
Not longer than 1 year	–	–
	–	–

Exploration Permit 481 expired in August 2020. As such, there were no exploration commitments as at 30 June 2021.

19. Segment reporting

For management purposes, the Group has identified only one (1) reportable segment as exploration activities undertaken in Australia since it ended all operations in the United States in 2018.

	Corporate		Exploration		Total	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Administration and employment expenses	(178,647)	(261,056)	–	–	(178,647)	(261,056)
Reversal of an acrrual	132,767	–	–	–	132,767	-
Depreciation	(10,485)	(6,990)	–	–	(10,485)	(6,990)
Impairment expenses	–	–	–	(44,424)	–	(44,424)
Fair value adjustment	(8,916)	(49,604)	–	–	(8,916)	(49,604)
Reportable loss	(65,281)	(317,650)	–	(44,424)	(65,281)	(362,074)
Other income	20,066	242	–	–	20,066	242
Net loss before tax	(45,215)	(317,408)	–	(44,424)	(45,215)	(361,832)
Segment assets						
Exploration assets	–	–	–	–	–	–
Other financial assets at fair value through profit or loss	–	8,916	–	–	–	8,916
Other assets	71,368	309,187	–	–	71,368	309,187
Total assets	71,368	318,103	–	–	71,368	318,103
Segment liabilities						
Other liabilities	78,994	232,335	–	–	78,994	232,335
Rehabilitation provision	–	–	922,511	970,690	922,511	970,690
Total liabilities	78,994	232,335	922,511	970,690	1,001,505	1,203,025
Net assets/(liabilities)	(7,626)	85,768	(922,511)	(970,690)	(930,137)	(884,922)

		2021 $	2020 $
20.	**Related party disclosure**		
(a)	**Key Management Personnel compensation**		
	Short term employee benefits	–	–
	Post-employment benefits	–	–
	Share based payments	–	–
		–	–

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

21. Notes to the Statement of Cash Flows

For the purposes of the statement of cash flows, cash includes cash on hand and in banks less un-presented cheques 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:

(a) Reconciliation of cash and cash equivalents

	2021 $	2020 $
Cash and cash equivalents	63,140	292,424

(b) Reconciliation of net loss after tax to net cash flow from operating activities

	2021 $	2020 $
Loss after income tax	(45,215)	(361,832)
Non-cash expenditure:		
Depreciation expense	10,485	6,990
Reversal of an accrual	(132,767)	–
Impairment of exploration and development expenditure	–	44,424
Provision for rehabilitation	(19,317)	–
Fair value loss on other financial assets through profit or loss	8,916	49,604
(Increase)/decrease in assets:		
Current receivables	(1,950)	16,855
Decrease in liabilities:		
Current payables	(38,939)	(19,498)
Net cash used in operating activities	(218,787)	(263,457)

(c) Reconciliation of net loss after tax to net cash flow from operating activities

There were no material non-cash investing and financing activities during the year ended 30 June 2021 and 30 June 2020.

22. Financial risk management

(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 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 profit or loss and other comprehensive income.

		Float interest rate		Total carrying amount	
Financial assets	Note	2021 $	2020 $	2021 $	2020 $
Cash at bank	21(a)	63,140	292,424	63,140	292,424

(b) Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities as at 30 June 2021. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Total contractual cash flow $	Carrying amount of liabilities $
2021					
Trade and other payables	74,416	–	–	74,416	74,416
Lease liabilities	4,578	–	–	4,578	4,578
2020					
Trade and other payables	217,260	–	–	217,260	217,260
Lease liabilities	10,497	4,578	–	15,075	15,075

(c) Currency risk

The Group had no foreign expenditure commitments or liabilities outstanding as at 30 June 2021. As operational activity has since decreased significantly overseas, foreign exchange exposure was negligible, no foreign exchange hedge contracts were in place at year end.

(d) Fair value

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date and represent fair value. The fair value of investment in associates is equal to the carrying value, and accounts for the Group's share in the net profit or loss of the associate. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period. The fair value of current financial assets and liabilities settled within 12 months approximate fair value due to their short term nature. The following tables classify financial instruments recognised in the statement of financial position of the Group, according to the hierarchy stipulated in AASB 13 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).

	Level 1 $	Level 2 $	Level 3 $	Total $
2021				
Financial assets fair value through profit or loss	–	–	–	–
2020				
Financial assets fair value through profit or loss	8,916	–	–	8,916

22. Financial risk management (cont'd)

(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 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. The Group has apportioned cash reserves amongst several financial institutions and the credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2021 $	2020 $
Cash at Bank and short term bank deposits (AA-)	63,140	292,424

(f) Capital risk management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent, which at 30 June 2021 was $69,762,264 (2020: $69,762,264). The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders. At 30 June 2021 the Group did not hold any external debt funding (2020: Nil) and is not subject to any externally imposed covenants in respect of capital management.

23. Subsidiaries

Name of entity	Country of incorporation	Nature of activities	Ownership interest 2021	Ownership interest 2020
New Standard Onshore Pty Ltd	Australia	Exploration of hydrocarbons	100%	100%

24. Contingencies

There were no material contingent liabilities or contingent assets for the Group as at 30 June 2021 or as at the date of the report.

25. Parent entity information

The following details information related to the parent entity, New Standard Energy Limited, as at 30 June 2021. The information presented here has been prepared using consistent accounting policies as presented in note 1.

	2021 $	2020 $
Current assets	55,244	291,494
Non-current assets	4,369	14,854
Total assets	59,613	306,348
Current liabilities	78,994	227,757
Non-current liabilities	–	4,578
Total liabilities	78,994	232,335
Contributed equity	78,922,106	78,922,106
Accumulated losses	(78,971,279)	(78,877,885)
Reserves	29,792	29,792
Total equity	(19,381)	74,013
Loss for the year	(93,394)	(361,832)
Total comprehensive loss for the year	(93,394)	(361,832)

26. Events occurring after the reporting date

As announced to the market on 7 September 2021, Ms Xiaoning Lin (Linda), a Non-executive Director of the company passed away following a car accident.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had not significant impact on the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Group and the results of those operations or the state of the affairs of the Group in the financial period subsequent to 30 June 2021.

ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 16 September 2021.

1. Distribution of shareholders

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

Category of holding	Holders	Number of shares	% of capital
1 – 1,000	196	49,466	0.01
1,001 – 5,000	346	1,113,952	0.13
5,001 – 10,000	261	2,176,604	0.24
10,001 – 100,000	739	28,765,354	3.24
100,001 and over	306	856,643,488	96.39
Total	1,846	888,748,864	100.00

(b) There are 1,572 shareholders with less than a marketable parcel of ordinary shares (minimum $500 parcel at $0.004 per unit).

2. Twenty one largest shareholders

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

Rank	Name of shareholder	Holding	%
1	China International Economic Huizhou Energy Investment (Beijing) Co Ltd	291,197,025	32.76
2	Mr Xiangqian Zhang	66,666,667	7.50
3	Jara Resources Pty Ltd	65,650,000	7.39
4	Citicorp Nominees Pty Limited	26,506,012	2.98
5	Chembank Pty Limited <Philandron A/C>	19,000,000	2.14
6	Mr Xijun Wang	16,000,000	1.80
7	Mr Huagen Gao	15,522,390	1.75
8	Mr Chi Zhang	15,491,658	1.74
9	J P Morgan Nominees Australia Pty Limited	14,249,970	1.60
10	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	13,758,833	1.55
11	Buru Energy Limited	13,057,930	1.47
12	Ms Sihol Marito Gultom	13,000,000	1.46
13	Hongmen Pty Ltd <Hongmen Family A/C>	12,099,613	1.36
14	Ms Wei Lin	11,078,450	1.25
15	Mr Yuk Kuen Lo	10,833,333	1.22
17	Ms Rongxia Su	10,659,207	1.20
16	Merrill Lynch (Australia) Nominees Pty Limited	10,069,168	1.13
18	Mr Alan Young	9,405,252	1.06
19	Phoenix Properties Int Pty Ltd <The Wellington Property A/C>	8,508,453	0.96
20	Mr Scott Le	7,307,737	0.82
Total		**650,061,698**	**73.14**

3. Substantial shareholders

As at 17 September 2021, the Company has received substantial notices from the following shareholders:

Name of shareholder	No of shares	% of issued capital
China International Economic Huizhou Energy Investment (Beijing) Co Ltd	291,197,025	32.76%
Mr Xiangqian Zhang	66,666,667	7.50%
Jara Resources Pty Ltd	65,650,000	7.39%

4. Unquoted securities and Buy-back

There were no unquoted securities on issue as at 16 September 2021. There is no current on-market buy-back.

5. Voting rights

The voting rights of each class of share are as follows:

Ordinary Fully Paid Shares – one vote per share held.