



**NEW STANDARD
ENERGY**

3 August, 2012

ASX Announcement

**NEW STANDARD REBALANCES ASSET MIX
(ASX: NSE)**

As part of a board agreed capital management plan to manage and balance the risk and liquidity associated with its growing balance sheet, New Standard Energy Ltd (**New Standard**) has taken the opportunity to sell a portion of its shareholding in Buru Energy Ltd (**Buru**).

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

New Standard Managing Director, Mr Sam Willis said the share sale represented a prudent approach to managing the Company's capital base in light of recent market volatility, the large returns achieved to date on the Buru investment and the increasing activity levels ahead of New Standard in the coming 12 months. It leaves the Company well capitalised leading into potential partnering discussions on the Merlinleigh Project during 2H, 2012 and provides significant flexibility should additional opportunities of merit present themselves.

"This was an opportunity to rebalance the asset mix within our balance sheet to create a more manageable blend of cash and equity investments and reduce risk for the business in the process. We acquired the Buru shares at 17c each in 2009 and the sale price of \$3.18c represents a discount of ~2% to the previous closing price and a return of over 1,870% for our shareholders. The New Standard board has decided it is prudent to reduce market risk as we head into a very active 12 month period," Mr Willis said.

New Standard retains an investment of 10 million shares in Buru post the share sale which is currently valued at in excess of \$30 million. The retained investment provides a meaningful exposure to the ongoing exploration program Buru is currently undertaking in the Canning Basin and any ensuing exploration and appraisal success that may eventuate.

A notice of ceasing to be a substantial holder is attached to this announcement.

-ENDS-

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NEW STANDARD ENERGY

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

New Standard currently has cash resources of in excess of \$40m post the BRU share sale transaction with this cash position to be further supplemented by income being generated from the Colorado County Project in Texas and cash calls under the ConocoPhillips farm-in agreement. The Company is primarily focused on aggressively progressing its oil and gas exploration portfolio focused on the onshore Canning and Carnarvon Basins in Western Australia. The portfolio includes:

- 🔹 100% (diluting to 25%) operated interest in EP's 443, 450, 451, 456 in Western Australia's Canning Basin
- 🔹 100% (diluting to 25%) operated interest in application areas 1/09-0, 2/09-0 and 5/09-0 in the Canning Basin
- 🔹 65% (diluting to 50%) operated interest in EP417 in the Canning Basin
- 🔹 60% operated interest in the Seven Lakes SPA area in the Canning Basin
- 🔹 100% operated interest in the Merlinleigh project, onshore Carnarvon Basin Western Australia
- 🔹 32.5% working interest in the Colorado County Project, onshore Texas USA
- 🔹 38.5% working interest in the Moeller Project, onshore Texas USA
- 🔹 36% working interest in the Wharton County Project, onshore Texas USA
- 🔹 32.5% interest in a license for 1,000 square miles of 3D seismic data

In addition to the above portfolio, New Standard has a liquid equity interest (10m shares) in ASX listed Canning Basin explorer Buru Energy Ltd (ASX: BRU) and a 13.7% equity interest in ASX listed Elixir Petroleum Ltd (ASX: EXR). New Standard is also continuing to actively assess other opportunities to complement and expand its exploration portfolio.

Form 605Corporations Act 2001
Section 671B**Notice of ceasing to be a substantial holder**To Company Name/Scheme Buru Energy LimitedACN/ARSN 130 651 437**1. Details of substantial holder (1)**Name New Standard EnergyACN/ARSN (if applicable) 119 323 385The holder ceased to be a substantial holder on 02/08/2012The previous notice was given to the company on 10/05/2011The previous notice was dated 10/05/2011**2. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
02/08/2012	New Standard Energy Ltd	Sale of shares	5,000,000 shares @ \$3.18	Ordinary, 10,000,000	10,000,000

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
New Standard Energy Ltd	Level 3, 33 Richardson Street, West Perth WA 6005

Signatureprint name David Hansen-Knarhoicapacity Joint Company Secretarysign heredate 03/08/2012

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 4 of the form.
- (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (3) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (4) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (5) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
 - (6) The voting shares of a company constitute one class unless divided into separate classes.
 - (7) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.
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