NEW STANDARD ENERGY

15 March 2013 **ASX Announcement**

NEW STANDARD INCREASES LAUREL PROJECT INTEREST
(ASX: NSE)

Highlights

- **Green Rock relinquishes 100% of its rights in the Laurel Project to New Standard**
  - **New Standard's net acreage position increases by 49% to 1.183 million acres**
- **Provides real options to pursue farm-out discussions with potential partners ahead of intended 2014 drilling campaign**
  - **65% operated equity in EP417**
  - **100% operated equity in Seven Lakes SPA**
- **AMI agreement with GRK terminated providing additional flexibility to pursue corporate opportunities**

New Standard Energy Ltd (**New Standard**) is pleased to announce that it has successfully executed an agreement with Green Rock Energy Ltd (**ASX: GRK**) pursuant to which Green Rock has agreed to relinquish 100% of its interests in the Laurel Project to New Standard. As part of the transaction the parties have also terminated the Area of Mutual Interest agreement (**AMI Agreement**) involving the Laurel formation across the broader Canning Basin.

This transaction results in New Standard retaining the 15% equity interest in EP417 that was due to be transferred under the farm-in agreement with Green Rock, and New Standard assuming Green Rock's remaining 40% interest in the immediately adjacent Seven Lakes SPA as a result of terminating the AMI Agreement.

As a result of the deal, New Standard will own a 65% operated interest in EP417 (Buru Energy 35%) and a 100% operated interest in the adjacent Seven Lakes SPA acreage (refer Appendix One maps).

New Standard's net acreage position will also increase to 1.183 million acres (4,788 square kilometres) across the Laurel formation - a geological setting that has been the source of numerous recent exploration successes regionally and corporate transactions involving large cash components.

This deal consolidates New Standard's equity interests in its highly prospective Laurel Project and, alongside the termination of the AMI Agreement, provides a strong foundation to pursue further farm-out opportunities with various parties demonstrating an active interest in the Canning Basin.

New Standard will pay an upfront cash amount of $1m to GRK with the balance of $650k being deferred until the earlier of an exploration permit being granted in relation to the Seven Lakes SPA or 9 months after the execution of agreements. This transaction has also resulted in all outstanding cash call and invoice amounts between Green Rock and New Standard being settled.

New Standard Managing Director Sam Willis said: "This transaction provides us with a meaningful increase in equity levels across our Laurel Project acreage and the commercial terms are very attractive when compared to the previous Green Rock farm-out and other comparative transactions on Canning Basin acreage involving the Laurel formation."

"The strategic value of this transaction provides real options for us to progress discussions with interested parties seeking a meaningful exposure to the Canning Basin alongside New Standard as an active operator in the region. This continues to build on our major Canning Basin focus involving the prospective Goldwyer and Laurel formations. We see large potential upside in the emerging Laurel Project as our second project in the Canning Basin and are delighted to have secured this additional equity on these terms."

As set out in Appendix One, New Standard's Laurel Project comprises a significant acreage position in an emerging regional play that is attracting a substantial amount of attention with the successes in the same play type that have been experienced by Buru Energy Ltd (**ASX: BRU**) in recent times. The primary initial drill targets to be pursued will be large conventional structures similar to Valhalla and Yulleroo in style whilst the potential for a major regional resource play to be present across the 1.4 million acre land position is also attractive. A table delineating the size and potential volumetrics for the current EP417 drill targets along with an illustration of the massive regional resource potential is also set out in Appendix One.

The 2013 work program on the Laurel Project will involve the following activities:

- EP 417 seismic data reprocessing and 2014 drill target selection
- Sampling and geological studies
- Regional information collation to understand recent Laurel successes
- Seven Lakes SPA acreage retention

The above program has been designed primarily to refine and de-risk the drill prospects on EP417 ahead of an intended drilling campaign to target Valhalla and Yulleroo style prospects in 2014. The program will also ensure that the most prospective acreage is retained across the Seven Lakes SPA acreage position ahead of making an application to convert the acreage into a granted exploration permit in the coming months.

New Standard will remain as operator of both acreage holdings post the transaction.

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About New Standard: New Standard Energy is an emerging hydrocarbon explorer 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's Goldwyer Project has attracted world class partners in ConocoPhillips and PetroChina and the company has strong cash resources to explore and progress its broad project portfolio. 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% operated interest in EP417 in the Canning Basin
- 100% 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
- 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 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.

Appendix One – Laurel Project

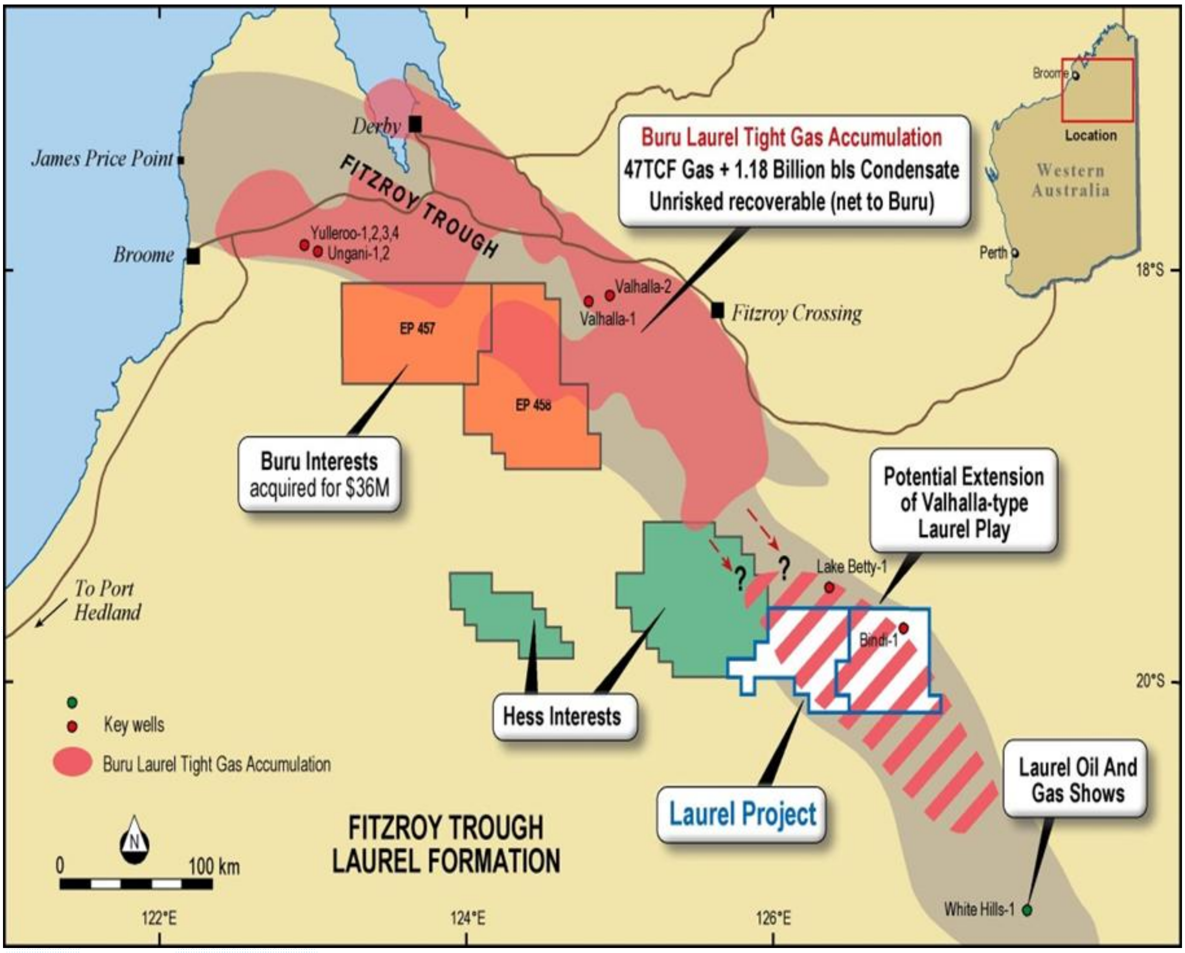

Figure 1: New Standard's Laurel Project acreage in the context of the regional acreage holdings and the emerging resource play as a result of Buru's recent exploration success. New Standard will own operated interests of 65% and 100% in the acreage post the GRK transaction.

Figure 2: EP417 and Seven Lakes SPA acreage position highlighting the sizeable conventional drill prospects present on EP417 within the greater Fitzroy Trough

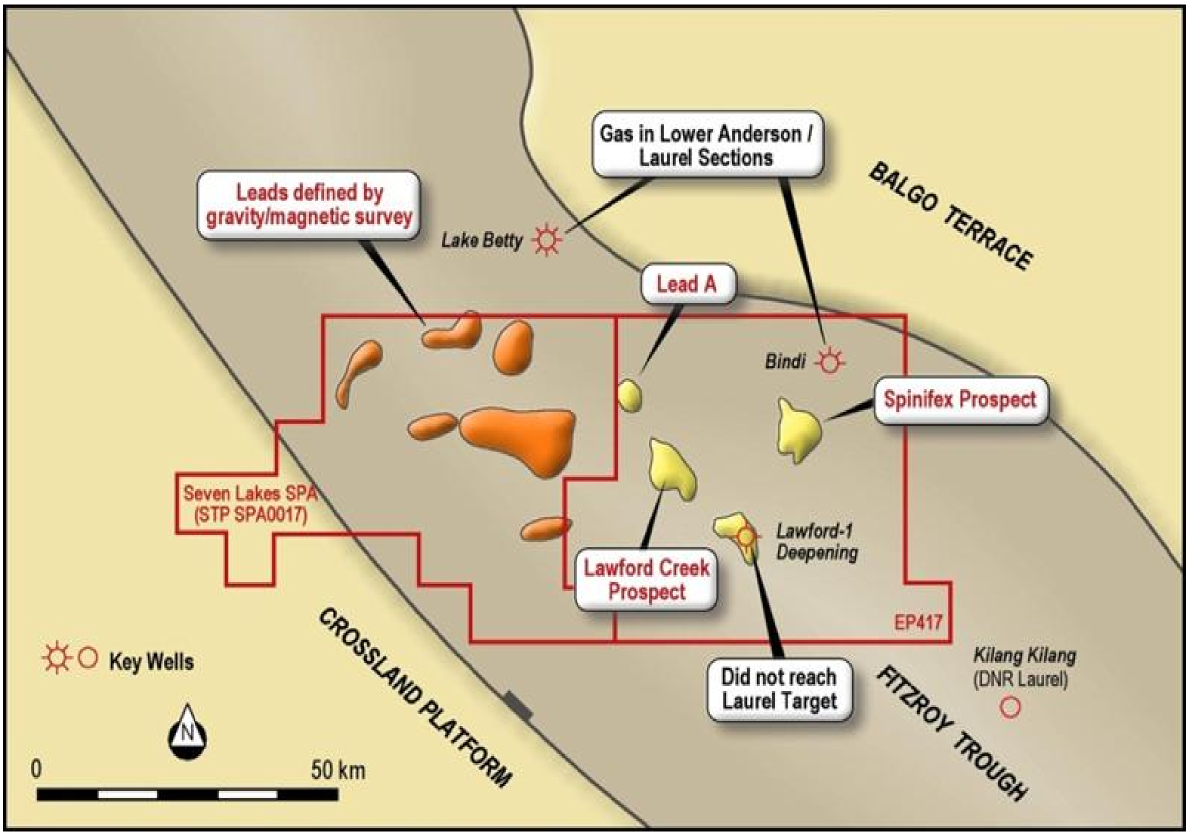

Table 1: Conventional drill prospects on EP417 illustrating potential size and volumetrics

Prospect / Lead	Prospect Area (km²)	Gas In Place (BCF)
Lawford Creek	63 – 79	600 - 1,200
Spinifex	47 - 66	560 – 1,160
Lawford 1 (Laurel Conventional)	33 - 39	105 - 335
SPA Seven Lakes Leads	14 - 167	213 – 2,547
Laurel Unconventional (EP417 and Seven Lakes)	5,000	50,000 – 150,000 (50 TCF – 150 TCF)

Competent Person: *The information in this announcement is based on information reviewed by Dr Mark Hagan (BSc Hons, PhD) who is a Petroleum Geologist and Geophysicist with more than 35 years experience in the industry. Dr Hagan is Technical Director of New Standard Energy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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