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**NEW STANDARD ENERGY LIMITED**

**ACN 119 323 385**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11.30am (WST)

**DATE:** 20 November 2014

**PLACE:** BDO,  
Ground Level,  
38 Station St, Subiaco,  
Western Australia 6008

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9481 7477.***

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**IMPORTANT INFORMATION**

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**TIME AND PLACE OF MEETING**

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Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.30am (WST) on 20 November 2014 at BDO, Ground Level, 38 Station Street, Subiaco, Western Australia 6008.

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**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

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**VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5pm (Perth time) on 18 November 2014.

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**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting at the time, date and place set out above.

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**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the Resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the Resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e.as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of the Company's members; and
- the appointment proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the Resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the Resolution,

the chair of the meeting is taken, before voting on the Resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014."*

**The vote on this Resolution is advisory only and does not bind the directors of the Company.**

##### Voting Prohibition Statement:

The Company will disregard any votes on this Resolution cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR H.C. KIP FERGUSON III

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr H.C. Kip Ferguson III, is re-elected as a Director."*

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**3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GREG CHANNON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Greg Channon, is re-elected as a Director.”*

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**4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR JEFFREY SWANSON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Jeffrey Swanson, is re-elected as a Director.”*

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**5. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR ARTHUR DIXON AM**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Arthur Dixon AM, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**6. RESOLUTION 6 – GRANT OF PERFORMANCE RIGHTS TO MR PHIL THICK**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of 3,700,000 performance rights to the Managing Director, Mr Phil Thick (or his nominee), under the New Standard Energy Executive Long Term Incentive Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any of the Company's employee incentive schemes), and any of their associates.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. Further, a member of the Company's Key Management Personnel and their Closely Related Parties may not vote (and the Company will disregard such vote) as a proxy on this Resolution if the appointment does not specify how the proxy is to vote, unless the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with remuneration of the Company's Key Management Personnel.

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## 7. RESOLUTION 7 – GRANT OF PERFORMANCE RIGHTS TO MR SAM WILLIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of 1,200,000 performance rights to Mr Sam Willis, an Executive Director, (or his nominee), under the New Standard Energy Executive Long Term Incentive Plan on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any of the Company's employee incentive schemes), and any of their associates.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides. Further, a member of the Company's Key Management Personnel and their Closely Related Parties may not vote (and the Company will disregard such vote) as a proxy on this Resolution if the appointment does not specify how the proxy is to vote, unless the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with remuneration of the Company's Key Management Personnel.

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## 8. RESOLUTION 8 – ISSUE OF SHARES UNDER LISTING RULE 7.1A

To consider and, if thought fit, to pass as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in their capacity as a security holder if the Resolution is passed, and any of their associates, unless it is cast by:

- (a) a person as proxy for a person who is entitled to vote (in accordance with the directions on the Proxy Form); or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

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**9. RESOLUTION 9 – POTENTIAL PLACEMENT – PRE-APPROVAL FOR THE ISSUE OF SHARES TO RAISE UP TO \$12 MILLION**

To consider and, if thought fit, pass as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of fully paid ordinary Shares in the Company to raise up to \$12 million for a price to be determined by the Directors but which is not less than the minimum price permitted by the market price formula in Listing Rule 7.3.3 (**Minimum Price**) to the persons described, and otherwise on the terms and conditions, set out in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by any person who may participate, or who has agreed to participate, in the proposed issue of Shares and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares) if the Resolution is passed and any associate of those persons unless it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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**DATED: 13 OCTOBER 2014**

**BY ORDER OF THE BOARD**

**DAVID HANSEN-KNARHOI  
JOINT COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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## FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.newstandard.com.au](http://www.newstandard.com.au).

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### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

#### 1.2 Voting consequences

Under the Corporations Act a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.



Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were 3%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 1.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy***

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member)***

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

***If you appoint any other person as your proxy***

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

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## 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR H.C. KIP FERGUSON III

Clause 13.4 of the Constitution enables the Board to appoint Directors to the Board either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

On 11 February 2014 Mr Ferguson was appointed as a Non-Executive Director to the Board pursuant to clause 13.4 of the Constitution. As announced on 11 February 2014 Mr Ferguson was joining the Company during a transition period as Dr Mark Hagan expressed his desire to step back from his role as a Non-Executive Director. The Board accepted the resignation of Dr Hagan and Mr Ferguson was appointed. As announced on xx October 2014, Mr Ferguson has been appointed Executive Director – USA.

Mr Ferguson brings to New Standard and its Board more than 24 years of onshore exploration and development experience in several major United States oil and gas basins. He is also currently the Executive Vice President of Exploration at Magnum Hunter Resources Corporation (NYSE: MHR) (**Magnum Hunter**).

All Directors (except Mr Ferguson) recommend the approval of Resolution 2.

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**3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GREG CHANNON**

On 24 June 2014 Mr Channon was appointed as a Non-Executive Director to the Board pursuant to clause 13.4 of the Constitution. Please see Resolution 2 for an explanation of clause 13.4.

As announced on 24 June 2014, Mr Channon is a geologist with more than 29 years' experience in the oil and gas industry and is able to provide New Standard vast technical and operational knowledge and experience, particularly in the Cooper Basin.

Mr Channon worked for Santos Ltd for 13 years with geological responsibility for its Cooper Basin program. He has since held a number of senior roles with oil and gas listed companies, including at CEO and Managing Director level. He brings extensive experience in both onshore and offshore exploration and production management, leasing, mergers and acquisitions and farm-in/farm-out agreements. Mr Channon is currently the Vice President of New Business at Pathfinder Energy Pty Ltd.

All Directors (except Mr Channon) recommend the approval of Resolution 3.

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**4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR JEFFREY SWANSON**

On 24 June 2014 Mr Swanson was appointed as a Non-Executive Director to the Board pursuant to clause 13.4 of the Constitution. Please see Resolution 2 for an explanation of clause 13.4.

As announced on 24 June 2014, Mr Swanson brings to New Standard and its Board more than 34 years of oil and gas experience, with strong commercial and operational experience in both conventional and shale oil and gas exploration and production in the US, as well as extensive knowledge of the service provider sector.

Mr Swanson is a leader in the development and application of innovation and technology to the exploration and production businesses of the oil and gas industry. He founded and is Chairman, CEO and President of GrailQuest Corp, a company set up in 2002 as a software and service provider to meet various needs in the oil and gas industry. He also co-founded Stratamodel, the first commercial 3-D geocellular software provider and is the author of two patents, "Computer System and Method For Modelling Fluid Depletion" and "Modelling Clastic Reservoirs". As a consultant, Mr Swanson has broad experience internationally, primarily in South and Latin America where he consulted for Petroleos De Venezuela, Pemex, Exxon, Mobil, Kerr McGee, Pennzoil and others. Mr Swanson is also Chairman, CEO And President of Durango Resources Corp, an oil and gas operator and producer predominantly in Texas, and a Non-Executive Director at Magnum Hunter.

All Directors (except Mr Swanson) recommend the approval of Resolution 4.

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**5. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR ARTHUR DIXON AM**

Clause 3.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards

in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has four Directors since three Directors retire at this Meeting and offer themselves up for re-election. Accordingly one must retire.

Mr Arthur Dixon AM, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Dixon is one of two independent directors of the Company. The remaining directors do not meet the Company's criteria for independence. The ASX Corporate Governance Council guidelines recommend that ideally the Board should constitute of a majority of independent directors. The Board acknowledges that it is not in compliance with this recommendation. However, given the size and nature of the Company the Board feels the composition of the Board is appropriate at this stage.

All Directors (except Mr Dixon) recommend the approval of Resolution 5.

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## **6. RESOLUTION 6 – GRANT OF PERFORMANCE RIGHTS TO MR PHIL THICK**

### **6.1 Background**

The New Standard Energy Executive Long Term Incentive Plan (**LTI Plan**) was designed to facilitate New Standard moving towards best practice remuneration structures for executives. A key component of effective remuneration for executives is a long term incentive to support retention, drive shared performance objectives and link remuneration to company performance. In line with this structure, an offer of Incentive Rights (**IRs**) to the Managing Director is proposed to align retention and total Shareholder return (**TSR**) performance over the next 3 year period.

The features of the proposed offer of IRs to the Managing Director are summarised as follows:

<b>Aspect</b>	<b>Details</b>
Instrument	The LTI Plan authorises the granting of Incentive Rights ( <b>IRs</b> ) to executives of New Standard Energy, which may be in the form of performance rights ( <b>PRs</b> ) or retention rights ( <b>RRs</b> ). The proposed offer to the Managing Director will comprise only PRs.
Eligibility	Eligibility to participate in the LTI Plan and the number of IRs offered to each individual participant ( <b>Plan Participant</b> ) will be determined by the Board.

Aspect	Details																
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer IRs under the LTI Plan, including the vesting conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended.																
Number of IRs	A total of 3,700,000 PRs will be offered to the Managing Director for the 12 months commencing 15 September 2014.																
Amount payable for IR	No amount will be payable by the Managing Director for the IRs as they are part of his total remuneration package for the 2014/15 financial year.																
Vesting of IRs	Upon the satisfaction of the vesting conditions, the value of IRs granted under the plan that vest will be evaluated. If the value that vests is greater than nil, vesting will give rise to a small cash payment with the remainder of the value to be converted into shares based on the then Share price. No exercise price is required to convert the IRs into Shares.																
Vesting Conditions	The IRs offered will be subject to an absolute TSR vesting condition.																
Absolute TSR Vesting Condition	<p>TSR is the return achieved from an investment in a company's shares over a period of time from share price growth and dividends assuming the dividends are reinvested into the company's shares. It is expressed as a percentage of the opening value of the investment.</p> <p>Absolute TSR performance conditions require a company's TSR measured over the measurement period to meet or exceed a standard or standards of performance set at the beginning of the measurement period.</p> <p>For the 2014/15 financial year grant, the measurement period will be 3 years, from 15 September 2014 to 14 September 2017.</p> <p>For the purposes of calculating TSR, the volume weighted average price (<b>VWAP</b>) of Shares will be used and calculated over a 30 day period prior to the beginning and end of the measurement periods. Then the following vesting scale applies:</p> <table><tr><th>Company's TSR Compound Annual Growth Rate (CAGR) Over Period*</th><th>% of Grant Vesting</th><th>3 Year TSR</th><th>Vesting Share Price (\$)</th></tr><tr><td>&lt;10%</td><td>0%</td><td>&lt;33%</td><td>&lt;0.159</td></tr><tr><td>10%</td><td>25%</td><td>33%</td><td>0.159</td></tr><tr><td>&gt;10% &amp; &lt;15%</td><td>Pro rata</td><td>&gt;33% &amp; &lt;52%</td><td>&gt;0.159 &amp; &lt;0.182</td></tr></table>	Company's TSR Compound Annual Growth Rate (CAGR) Over Period*	% of Grant Vesting	3 Year TSR	Vesting Share Price (\$)	<10%	0%	<33%	<0.159	10%	25%	33%	0.159	>10% & <15%	Pro rata	>33% & <52%	>0.159 & <0.182
Company's TSR Compound Annual Growth Rate (CAGR) Over Period*	% of Grant Vesting	3 Year TSR	Vesting Share Price (\$)														
<10%	0%	<33%	<0.159														
10%	25%	33%	0.159														
>10% & <15%	Pro rata	>33% & <52%	>0.159 & <0.182														

Aspect	Details			
	15%	50%	52%	0.182
	>15% & <20%	Pro-rata	>52% & <73%	>0.182 & <0.206
	20% or greater	100%	73% or greater	0.206 or greater
Exercise Price	No amount will be payable by the Managing Director to exercise a PR that has vested.			
Cessation of Employment	<p>The LTI Plan contains provisions concerning the treatment of vested and unvested IRs if a Plan Participant ceases employment.</p> <p>Unless the Board determines otherwise, if a Plan Participant ceases employment by reason of resignation, termination for poor performance or termination for cause, all unvested IRs held by the Participant will lapse.</p> <p>Unless the Board determines otherwise, if a Participant ceases employment for any other reason, including by reason of death, disability, redundancy, retirement or by agreement, IRs that were granted to the Plan Participant during the financial year in which the termination occurred will be forfeited in the same proportion as the remainder of the financial year bears to the full year. All remaining IRs for which vesting conditions have not been satisfied as at the date of cessation of employment will remain "on foot", subject to the original vesting conditions.</p>			
Change of Control of the Company	In the event of a change-in-control, including a takeover, the vesting conditions attached to the tranche at the time of the offer will cease to apply and vesting will be triggered at the Board's discretion.			
Voting and Dividend Rights	IRs do not carry voting or dividend rights. Shares issued when IRs vest carry the same rights and entitlements as ordinary fully paid Shares, including voting and dividend rights.			
Lapse and Forfeiture of IRs	IRs will lapse if the prescribed vesting conditions are not satisfied within the prescribed measurement period.			
No Transfer of IRs	Without the approval of the Board, IRs may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered.			
Quotation	IRs will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LTI Plan, in accordance with the ASX Listing Rules.			
Variation of Term and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the LTI Plan. This includes varying the number of IRs to which a Participant is entitled upon a reorganisation of the capital of the Company.			

Aspect	Details
Issue or Acquisition of Shares	Shares allocated to a Plan Participant when IRs vest under the LTI Plan may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing Shares, brokerage on acquisitions of Shares and all costs of administering the LTI Plan.
Other Terms of the LTI Plan	The LTI Plan also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the LTI Plan.
Hedging	The Company prohibits the hedging of IRs by Plan Participants.

The Company is seeking Shareholder approval for the proposed grant of IRs to the Managing Director, Mr Phil Thick, as set out below.

## 6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Options to Mr Phil Thick, (or his nominee) requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit and Phil Thick is a related party of the Company by virtue of being a Director, unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The Directors (other than Mr Phil Thick, who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the grant of IRs because the issue of the IRs to Mr Phil Thick constitutes reasonable remuneration in accordance with section 211 of the Corporations Act.

## 6.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained. If Listing Rule 10.14 approval is obtained, Listing Rule 7.1 approval is not required and the securities proposed to be issued under

Resolution 6 will not count towards the Company's Listing Rule 7.1 capacity.

If Resolution 6 is passed, IRs will be issued to Mr Phil Thick, a Director (or his nominee). Therefore, the Company requires Shareholder approval to issue the IRs to Mr Phil Thick (or his respective nominee) pursuant to ASX Listing Rule 10.14.

#### **6.4 Requirements of ASX Listing Rule 10.15**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15A, the following information is provided in relation to the proposed issue of IRs to Mr Phil Thick (or his nominee) under the LTI:

- (a) the IRs will be issued to Mr Phil Thick (or his nominee), the Managing Director of the Company;
- (b) the maximum number of IRs that will be issued to Mr Phil Thick (or his nominee) under Resolution 6 is 3,700,000;
- (c) the IRs will be issued for nil cash consideration and no consideration will be payable upon the vesting or conversion of the IRs;
- (d) persons who are full-time and permanent part-time employees including Directors (but excluding non-executive Directors) of the Company and its subsidiary companies are eligible to become participants in the LTI Plan;
- (e) no Directors or their associates have received securities under the LTI Plan; and
- (f) the Company will grant the IRs to Mr Phil Thick (or his nominee) as soon as practicable after Shareholder approval at the Meeting, and in any event no later than 12 months from the date of Shareholder approval.

#### **6.5 Directors' recommendations**

- (a) Mr Phil Thick declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution.
- (b) All Directors other than Mr Thick recommend Shareholders vote in favour of Resolution 6 for the following reasons:
  - (i) the grant of IRs to Mr Phil Thick (or his nominee) will align the interests of Mr Phil Thick with those of Shareholders beyond the current periods of alignment;
  - (ii) the level of IRs being recommended are supported by an independent review and provide incentive for outperformance that will result in the Managing Director's base remuneration package being supplemented from the 50<sup>th</sup> percentile to the 75<sup>th</sup> percentile but only if significant outperformance is achieved;
  - (iii) the grant of the IRs is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Phil Thick; and

- (iv) other than Shareholder dilution, it is not considered there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the IRs upon the terms proposed;
- (c) in forming their recommendations, each Director (other than Mr Thick) considered the experience of Mr Phil Thick, the current market price of Shares and the current market practices when determining the number of IRs to be granted; and
- (d) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

## **7. RESOLUTION 7 – GRANT OF PERFORMANCE RIGHTS TO MR SAM WILLIS**

### **7.1 Background**

An explanation of the LTI Plan is set out under Resolution 6. An offer IRs to Mr Willis is proposed to align retention and TSR performance over the next 3 year period.

The features of the proposed offer of IRs to Mr Willis are summarised as follows:

<b>Aspect</b>	<b>Details</b>
Instrument	The LTI Plan authorises the granting of IRs to executives of New Standard Energy, which may be in the form of PRs or RRs. The proposed offer to Mr Willis will comprise only PRs.
Eligibility	Eligibility to participate in the LTI Plan and the number of IRs offered to each Plan Participant will be determined by the Board.
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer IRs under the LTI Plan, including the vesting conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended.
Number of IRs	A total of 1,200,000 PRs will be offered to Mr Willis for the 12 months commencing 15 September 2014.
Amount payable for IR	No amount will be payable by Mr Willis for the IRs as they are part of his total remuneration package for the 2014/15 financial year.
Vesting of IRs	Upon the satisfaction of the vesting conditions, the value of IRs granted under the plan that vest will be evaluated. If the value that vests is greater than nil, vesting will give rise to a small cash payment with the remainder of the value to be converted into shares based on the then Share price. No exercise price is required to convert the IRs into Shares.
Vesting Conditions	The IRs offered will be subject to an absolute TSR vesting condition.
Absolute TSR	TSR is the return achieved from an investment in a company's shares over a period of time from share price growth and



Aspect	Details																												
Vesting Condition	<p>dividends assuming the dividends are reinvested into the company's shares. It is expressed as a percentage of the opening value of the investment.</p> <p>Absolute TSR performance conditions require a company's TSR measured over the measurement period to meet or exceed a standard or standards of performance set at the beginning of the measurement period.</p> <p>For the 2014/15 financial year grant, the measurement period will be 3 years, from 15 September 2014 to 14 September 2017.</p> <p>For the purposes of calculating TSR, the VWAP of Shares will be used and calculated over a 30 day period prior to the beginning and end of the measurement periods. Then the following vesting scale applies:</p> <table><tr><th>Company's TSR Compound Annual Growth Rate (CAGR) Over Period*</th><th>% of Grant Vesting</th><th>3 Year TSR</th><th>Vesting Share Price (\$)</th></tr><tr><td>&lt;10%</td><td>0%</td><td>&lt;33%</td><td>&lt;0.159</td></tr><tr><td>10%</td><td>25%</td><td>33%</td><td>0.159</td></tr><tr><td>&gt;10% &amp; &lt;15%</td><td>Pro rata</td><td>&gt;33% &amp; &lt;52%</td><td>&gt;0.159 &amp; &lt;0.182</td></tr><tr><td>15%</td><td>50%</td><td>52%</td><td>0.182</td></tr><tr><td>&gt;15% &amp; &lt;20%</td><td>Pro-rata</td><td>&gt;52% &amp; &lt;73%</td><td>&gt;0.182 &amp; &lt;0.206</td></tr><tr><td>20% or greater</td><td>100%</td><td>73% or greater</td><td>0.206 or greater</td></tr></table>	Company's TSR Compound Annual Growth Rate (CAGR) Over Period*	% of Grant Vesting	3 Year TSR	Vesting Share Price (\$)	<10%	0%	<33%	<0.159	10%	25%	33%	0.159	>10% & <15%	Pro rata	>33% & <52%	>0.159 & <0.182	15%	50%	52%	0.182	>15% & <20%	Pro-rata	>52% & <73%	>0.182 & <0.206	20% or greater	100%	73% or greater	0.206 or greater
Company's TSR Compound Annual Growth Rate (CAGR) Over Period*	% of Grant Vesting	3 Year TSR	Vesting Share Price (\$)																										
<10%	0%	<33%	<0.159																										
10%	25%	33%	0.159																										
>10% & <15%	Pro rata	>33% & <52%	>0.159 & <0.182																										
15%	50%	52%	0.182																										
>15% & <20%	Pro-rata	>52% & <73%	>0.182 & <0.206																										
20% or greater	100%	73% or greater	0.206 or greater																										
Exercise Price	No amount will be payable by Mr Willis to exercise a PR that has vested.																												
Cessation of Employment	<p>The LTI Plan contains provisions concerning the treatment of vested and unvested IRs if a Plan Participant ceases employment.</p> <p>Unless the Board determines otherwise, if a Plan Participant ceases employment by reason of resignation, termination for poor performance or termination for cause, all unvested IRs held by the Participant will lapse.</p> <p>Unless the Board determines otherwise, if a Participant ceases employment for any other reason, including by reason of death, disability, redundancy, retirement or by agreement, IRs that were granted to the Plan Participant during the financial year in which the termination occurred will be forfeited in the same</p>																												

Aspect	Details
	proportion as the remainder of the financial year bears to the full year. All remaining IRs for which vesting conditions have not been satisfied as at the date of cessation of employment will remain "on foot", subject to the original vesting conditions.
Change of Control of the Company	In the event of a change-in-control, including a takeover, the vesting conditions attached to the tranche at the time of the offer will cease to apply and vesting will be triggered at the Board's discretion.
Voting and Dividend Rights	IRs do not carry voting or dividend rights. Shares issued when IRs vest carry the same rights and entitlements as ordinary fully paid Shares, including voting and dividend rights.
Lapse and Forfeiture of IRs	IRs will lapse if the prescribed vesting conditions are not satisfied within the prescribed measurement period.
No Transfer of IRs	Without the approval of the Board, IRs may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered.
Quotation	IRs will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LTI Plan, in accordance with the ASX Listing Rules.
Variation of Term and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the LTI Plan. This includes varying the number of IRs to which a Participant is entitled upon a reorganisation of the capital of the Company.
Issue or Acquisition of Shares	Shares allocated to a Plan Participant when IRs vest under the LTI Plan may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing Shares, brokerage on acquisitions of Shares and all costs of administering the LTI Plan.
Other Terms of the LTI Plan	The LTI Plan also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the LTI Plan.
Hedging	The Company prohibits the hedging of IRs by Plan Participants.

The Company is seeking Shareholder approval for the proposed grant of IRs to Mr Sam Willis, as set out below.

## **7.2 Chapter 2E**

Chapter 2E is summarised in Section 6.2 above.

The Directors (other than, Mr Sam Willis, who has a material personal interest in Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the grant of IRs because the issue of the IRs to Mr Sam Willis constitutes reasonable remuneration in accordance with section 211 of the Corporations Act.

## **7.3 ASX Listing Rule 10.14**

An explanation of ASX Listing Rule 10.14 is set out at Section 6.3. If Listing Rule 10.14 approval is obtained, Listing Rule 7.1 approval is not required and the securities proposed to be issued under Resolution 7 will not count towards the Company's Listing Rule 7.1 capacity.

If Resolution 7 is passed, IRs will be issued to Mr Sam Willis, a Director (or his nominee). Therefore, the Company requires Shareholder approval to issue the IRs to Mr Sam Willis (or his respective nominee) pursuant to ASX Listing Rule 10.14.

## **7.4 Requirements of ASX Listing Rule 10.15**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15A, the following information is provided in relation to the proposed issue of IRs to Mr Sam Willis (or his nominee) under the LTI:

- (a) the IRs will be issued to Mr Sam Willis (or his nominee), an Executive Director of the Company;
- (b) the maximum number of IRs that will be issued to Mr Sam Willis (or his nominee) under Resolution 7 is 1,200,000;
- (c) the IRs will be issued for nil cash consideration and no consideration will be payable upon the vesting or conversion of the IRs;
- (d) persons who are full-time and permanent part-time employees including Directors (but excluding non-executive Directors) of the Company and its subsidiary companies are eligible to become participants in the LTI Plan;
- (e) no Directors or their associates have received securities under the LTI Plan; and
- (f) the Company will grant the IRs to Mr Sam Willis (or his nominee) as soon as practicable after Shareholder approval at this Meeting, and in any event no later than 12 months from the date of Shareholder approval.

## **7.5 Directors' recommendations**

- (a) Mr Sam Willis declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution.

- (b) The Directors, other than Mr Sam Willis, recommend Shareholders vote in favour of Resolution 7 for the following reasons:
- (i) the grant of IRs to Mr Sam Willis (or his nominee) will align the interests of Mr Sam Willis with those of Shareholders beyond the current periods of alignment;
  - (v) the level of IRs being recommended are supported by an independent review and provide incentive for outperformance that will result in Mr Willis' base remuneration package being supplemented from the 50<sup>th</sup> percentile to the 75<sup>th</sup> percentile but only if significant outperformance is achieved;
  - (vi) the grant of the IRs is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Sam Willis; and
  - (vii) other than Shareholder dilution, it is not considered there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the IRs upon the terms proposed;
- (c) in forming their recommendations, each Director (other than Mr Willis) considered the experience of Mr Sam Willis, the current market price of Shares and the current market practices when determining the number of IRs to be granted; and
- (d) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

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## **8. RESOLUTION 8 – ISSUE OF SHARES UNDER LISTING RULE 7.1A**

### **8.1 Introduction**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placements Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The Board unanimously recommends Shareholders vote in favour of Resolution 8.

## 8.2 Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting which requires 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). A resolution under Listing Rule 7.1A cannot be put at any other Shareholder meeting.

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

### (c) Formula for calculating 10% Placement Facility

If Resolution 8 is passed, the Company may issue or agree to issue during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid shares that became fully paid in the 12 months;
- (3) plus the number of fully paid shares issued in the 12 months with Shareholder approval under listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- (4) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

### (d) Interaction between Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Notice, the Company has on issue 386,169,603 Shares and therefore has a capacity to issue:

- (i) 57,925,440 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being received under Resolution 8,38,616,960 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) above).

**(e) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period as allowed by ASX (**10% Placement Period**).

**8.3 Listing Rule 7.1A**

**Schedule 1**

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

**8.4 Specific information require by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of listed Options, only if the listed Options are exercised). There is a risk that:

- (i) the market price for the Company's existing Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also shows:
  - (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' Listing Rule 7.1A.2	Dilution			
	Number of Shares issued under 10% placement capacity	Funds raised based on issue price of \$0.10 (Current – 4 October 2014)	Funds raised based on issue price of \$0.05 (50% decrease)	Funds raised based on issue price of \$0.15 (50% increase)
Current Variable A 386,169,603 Shares	38,616,960	\$3,861,696	\$1,930,848	\$5,792,544
50% increase in current Variable A 579,254,405 Shares	57,925,440	\$5,792,544	\$2,896,272	\$8,688,816

Variable 'A' Listing Rule 7.1A.2	Dilution			
	Number of Shares issued under 10% placement capacity	Funds raised based on issue price of \$0.10 (Current – 4 October 2014)	Funds raised based on issue price of \$0.05 (50% decrease)	Funds raised based on issue price of \$0.15 (50% increase)
100% increase in current Variable A 772,339,206 Shares	77,233,921	\$7,723,392	\$3,861,696	\$11,585,088

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of the issue. This is why the voting dilution is shown in each example as 10%.
  - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placement under the 10% Placement Facility, based on that Shareholder's holding at the date of the meeting.
  - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes convertible securities, it is assumed that those convertible securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vi) The issue price is \$0.10, being the closing price of the Shares on ASX on 4 October 2014.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).



- (f) The Company may seek to issue the Equity Securities for the following purposes:
  - (i) non-cash consideration in relation to costs associated with the acquisition or maintenance of exploration licences. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of exploration licences (which may include costs associated with due diligence and engagement of advisers in assessing new licences) and/or continued exploration on the Company's existing tenement package.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
  - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or associate of a related party of the Company.
- (j) Further, if the Company is successful in acquiring new assets or investments, the allottees under the 10% Placement Facility may be the vendors of the new assets or investments.
- (k) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 14 November 2013. Therefore, the following information is provided in accordance with Listing Rule 7.3A.6, regarding the equity securities issued in the previous 12 months preceding the date of the Meeting (that is, since 14 November 2013):

Listing Rule 7.3A.6(a): Total Equity Securities issued in previous 12 months: 80,650,000, representing 26.4% of the total number of Equity Securities on issue at the commencement of the 12 month period.

Listing Rule 7.3A.6(b): See the Schedule for details of Equity Securities

issued in the previous 12 months.

- (l) A voting exclusion statement is included in the Notice for Resolution 8.
- (m) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

All Directors recommend the approval of Resolution 8.

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## **9. RESOLUTION 9 – POTENTIAL PLACEMENT – PRE-APPROVAL FOR THE ISSUE OF SHARES TO RAISE UP TO \$12 MILLION**

### **9.1 Background**

The Company's stated strategy includes business expansion opportunities through acquisitions and the development of 'greenfield' sites, with the objective of widening the group's revenue base.

The Company is currently considering a range of opportunities and no decisions have been made by the Board in relation to any specific transaction or funding source. Any future acquisitions could be funded through existing cash reserves, joint venture, debt, equity or a combination of these funding sources.

A capital raising may involve a placement to professional, sophisticated and institutional investors (**Placement**). Accordingly, the Company seeks approval to raise additional equity capital by way of Placement so that should any opportunities arise, the Company can move expeditiously to capture them.

### **9.2 Listing Rule 7.1**

Under Listing Rule 7.1, a listed company is prohibited from issuing or agreeing to issue shares without shareholder approval if, in doing so, it would mean that the number of shares issued in the preceding 12 month period would exceed 15% of the number of fully paid ordinary shares on issue at the beginning of the 12 month period (**Placement Capacity**).

Accordingly, the Company is seeking Shareholder approval for further Shares so that if this Resolution is passed, the Company can raise up to \$12 million.

### **9.3 Number of Shares that may be issued under the Placement**

The table below shows the number of Shares that may be issued, total funds raised under the Placement and total number of Shares on issue after the Placement using the minimum, maximum and average share price over the past 30 days prior to the date of this Notice:

	<b>Minimum \$0.082</b>	<b>Average \$0.109</b>	<b>Maximum \$0.135</b>
<b>Number of Shares issued under the Placement</b>	146,341,463	109,756,098	88,888,889

	<b>Minimum \$0.082</b>	<b>Average \$0.109</b>	<b>Maximum \$0.135</b>
<b>Total funds raised under the Placement</b>	\$12,000,000	\$12,000,000	\$12,000,000
<b>Total number of Shares on issue after the Placement<sup>1</sup></b>	532,511,066	495,925,701	475,058,492

<sup>1</sup> Based on the Company currently having 386,169,603 Shares on issue, no Options being exercised and no other Shares having been issued.

#### **9.4 Listing Rule 7.3**

In accordance with Listing Rule 7.3, the Company provides the following information:

- (a) The Placement Shares will be allotted to sophisticated investors (in accordance with sections 708(8) and (10) of the Corporations Act), professional investors (in accordance with section 708(11) of the Corporations Act), other institutional and accredited investors to whom no disclosure is required under the Corporations Act.
- (b) The number of Placement Shares to be allotted will be calculated by multiplying the amount to be raised i.e. \$12 million by the issue price which will be calculated in accordance with Section 9.4(c) below.
- (c) In accordance with Listing Rule 7.3.3 the issue price of any Placement Shares will not be less than 80% of the average closing price for ordinary shares calculated over the last 5 days on which sales of ordinary shares were recorded before the date on which the Placement Shares are issued.
- (d) If approved, and a Placement occurs, Shares will be issued on one date on or before 3 months after the date of the meeting (i.e. 20 February 2015) as required by the Listing Rules.
- (e) All Shares issued under the Placement will be fully paid ordinary shares in the Company that rank pari passu and form one class with all other ordinary shares of the Company.
- (f) The intended use of the funds raised under the Placement is to fund expansion or future acquisition opportunities.
- (g) A voting exclusion applies to this Resolution. Please refer to Resolution 9 in the Notice.

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#### **ENQUIRIES**

Shareholders are requested to contact the Company Secretary on (+61 8) 9481 7477 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report for the financial year ended 30 June 2014.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Auditor's Report** means the auditor's report in the Financial Report.

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** or **New Standard** means New Standard Energy Ltd (ACN 119 323 385).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Incentive Rights** or **IRs** means the performance rights and the retention rights, which may be granted under the LTI Plan.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**LTI Plan** means the New Standard Energy Executive Long Term Incentive Plan, which is summarised in Section 6.1 of the Explanatory Statement.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Option** means an option which entitles the holder to subscriber for one Share.

**Placement** has the meaning given to it in Section 9.1.

**Placement Capacity** has the meaning given to it in Section 9.2.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weight average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Statement words importing the singular include the plural and vice versa.

## SCHEDULE

### Issues of Equity Securities since 14 November 2013

#### LR 7.3A.6

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
12 December 2013	2,000,000	Unlisted Options <sup>3</sup>	NSE director, Mr Phil Thick	Issued for no cash consideration	Consideration: no consideration paid  Current value <sup>9</sup> = \$55,001
21 January 2014	15,000,000	Fully Paid Ordinary Shares	Outback Energy Hunter Limited	Issued for no cash consideration	Amount raised = \$Nil  Amount spent = \$Nil  Use of funds = Representing part consideration payable under a share deed to acquire all of the shares in Outback Energy Hunter Limited, as approved by shareholders at an Extraordinary General Meeting on 20 January 2014  Amount remaining = \$Nil  Proposed use of remaining funds = N/A
29 January 2014	65,650,000	Fully Paid Ordinary Shares	Magnum Hunter Resources Corporation	Issued for no cash consideration	Amount raised = \$Nil  Amount spent = \$Nil  Use of funds = Representing part consideration payable under a purchase and sale agreement to acquire oil and gas assets in the Eagle Ford shale formation in Texas, as approved by shareholders at an Extraordinary General Meeting on 20

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
					January 2014  Amount remaining = \$Nil  Proposed use of remaining funds = N/A
14 February 2014	200,000	Unquoted Options <sup>4</sup>	Issued to NSE employees under the Company's existing Employee Share Option Scheme	Issued for no cash consideration	Consideration: no consideration paid  Current value <sup>9</sup> = \$8,123
14 February 2014	6,000,000	Retention and Performance Rights <sup>6</sup>	Issued to NSE employees under the Company's existing Long Term Incentive Plan	Issued for no cash consideration	Consideration: no consideration paid  Current value <sup>9</sup> = \$153,064
27 March 2014	187,758	Shares <sup>2,7</sup>	NSE employees, following the vesting of Retention Rights	Issued for no cash consideration	Amount raised = \$Nil  Amount spent = \$Nil  Use of funds = N/A  Amount remaining = N/A  Proposed use of remaining funds = N/A
27 May 2014	150,000	Unquoted Options <sup>5</sup>	Issued to NSE employees under the Company's existing Employee Share Option Scheme	Issued for no cash consideration	Consideration: no consideration paid  Current value <sup>9</sup> = \$8,941
6 August 2014	1,000,000	Unquoted Options <sup>8</sup>	Issued to NSE employees under the Company's existing	Issued for no cash consideration	Consideration: no consideration paid  Current value <sup>9</sup> = \$66,424

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
			Employee Share Option Scheme		

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: NSE (terms are set out in the Constitution).
3. 1,000,000 Unquoted Options, exercisable at \$0.40 each, on or before 2 April 2016 and 1,000,000 Unquoted Options exercisable at \$0.50 each, on or before 2 April 2016 issued to NSE director, Mr Phil Thick following shareholder approval at the annual general meeting held 14 November 2013.
4. 100,000 Unquoted Options, exercisable at \$0.519 each, on or before 13 February 2017 and 100,000 Unquoted Options exercisable at \$0.581 each, on or before 13 February 2017 issued to NSE employees under the Company's existing Employee Share Option Scheme approved by shareholders on 30 November 2011.
5. 75,000 Unquoted Options, exercisable at \$0.224 each, on or before 6 April 2017 and 75,000 Unquoted Options exercisable at \$0.248 each, on or before 6 April 2017 issued to NSE employees under the Company's existing Employee Share Option Scheme approved by shareholders on 30 November 2011.
6. 880,000 Retention Rights issued to NSE employees under the Company's existing Long Term Incentive Plan with a measurement date of 14 September 2016 and 5,120,000 Performance Rights issued to NSE employees under the Company's existing Long Term Incentive Plan with vesting subject to Total Shareholder Return (**TSR**) based upon a minimum hurdle of \$0.225 and a measurement date of 14 September 2016. Of these 1,800,000 Performance Rights, were approved by shareholders at the annual general meeting held 14 November 2013 and 1,000,000 Performance Rights were approved by shareholders at the general meeting held 20 January 2014.
7. 157,758 Shares issued to NSE employees under the Company's existing Long Term Incentive Plan with a measurement date of 14 March 2014.
8. 500,000 Unquoted Options, exercisable at \$0.167 each, on or before 5 August 2017 and 500,000 Unquoted Options exercisable at \$0.187 each, on or before 5 August 2017 issued to NSE employees under the Company's existing Employee Share Option Scheme approved by shareholders on 30 November 2011.
9. The value of Unlisted Options is based on the closing price of the Shares (\$0.10) as the context requires on the ASX on 9 October 2014.





NEW STANDARD  
ENERGY

ABN 20 119 323 385

000001 000 NSE  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 11.30am (WST) Tuesday, 18 November 2014**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of New Standard Energy Limited hereby appoint

☐

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of New Standard Energy Limited to be held at BDO, Ground Level, 38 Station St, Subiaco, Western Australia on Thursday, 20 November 2014 at 11.30am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6 and 7 by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of director – Mr H.C. Kip Ferguson III	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Greg Channon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Mr Jeffrey Swanson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Director – Mr Arthur Dixon AM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of performance rights to Mr Phil Thick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Grant of performance rights to Mr Sam Willis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of shares under listing rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Potential Placement - pre-approval for the issue of shares to raise up to \$12 Million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Date

NSE

191030A

Computershare +