NEW STANDARD ENERGY

LIMITED

ACN 119 323 385

Financial Report for the Half-Year Ended 31 December 2015

www.newstandard.com.au

CORPORATE DIRECTORY

Board of Directors

Arthur Dixon AM	Non-Executive Chairman
Philip Thick	Managing Director
Sam Willis	Executive Director
Ning Han	Non-Executive Director
Hui Song	Non-Executive Director
Xiaofeng Liu	Non-Executive Director

Company Secretary

Mark Clements

Place of Business

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West Perth WA 6005
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Auditors

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

Legal Advisors

Murcia Pestell Hillard
Suite 183, Level 6
580 Hay Street
Perth WA 6000

Share Registry

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

ASX Code | NSE

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DIRECTORS' REPORT

The Directors of New Standard Energy Ltd (**New Standard** or **Company**) submit herewith the financial report for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001,* the Directors' report as follows:

BOARD OF DIRECTORS

The names and details of the Directors of the Company that were in office during the period and until the date of this report are as follows:

Arthur Dixon AM	(Non-Executive Chairman)
Phil Thick	(Managing Director)
Sam Willis	(Executive Director)
Ning Han	(Non-Executive Director – appointed 10th November 2015)
Hui Song	(Non-Executive Director – appointed 15th December 2015)
Xiaofeng Liu	(Non-Executive Director – appointed 15th December 2015)
H C Kip Ferguson III	(Non-Executive Director – resigned 20th October 2015)
Jeff Swanson	(Non-Executive Director – resigned 20th October 2015)

Directors were in office for the entire period unless otherwise stated.

REVIEW OF OPERATIONS

During the period New Standard closed out the transaction with Sundance Energy Australia Ltd (ASX: SEA, **Sundance**) to sell the Company's United States and Cooper Basin assets for total consideration of approximately $24 million. This deal was announced to investors on 29 June 2015 and was subject to shareholder approval at an Extraordinary General Meeting held on 4 August 2015. The transaction was approved by more than 96 per cent of the shareholders voting at the meeting and completion occurred on 10 August 2015. Under the terms of the transaction, Sundance issued the Company six million of its shares, paid out 100% of debts owed to Credit Suisse and assumed various other liabilities and commitments associated with the assets sold.

Atascosa Project, Eagle Ford, Texas, USA

Revenue from seven producing wells in the Atascosa Project continued to accrue to New Standard until the completion of the Sundance acquisition of NSE Texas LLC on 10 August 2015. Completion of that transaction resulted in all NSE Texas LLC creditors being moved across to Sundance and New Standard's debt facility with Credit Suisse being paid out in full, with release from all obligations and guarantees.

Colorado County Project, Texas, USA

New Standard transferred 100 per cent of its working interest in the Colorado County assets to Sundance effective 10 August 2015. The Company received revenue up until this date.

PEL 570 Project, Cooper Basin, South Australia

Sundance acquired NSE PEL570 Pty Ltd from New Standard on 10 August 2015. This acquisition resulted in the sale and transfer of the Company's working interest in the PEL570 Project including all commitments to Sundance.

Western Australian Projects

During the period New Standard worked with the Company's new largest shareholder Huizhou Energy to complete a high level review of its Western Australian assets.

This review was necessary in the current environment due to the high cost of retaining the large acreage position (previously in excess of $500,000 per annum before any exploration or development costs) and the associated work programs. Given the size of the Company and the current challenging market conditions it was considered sensible to relinquish some of the Company's over 15 million acres within the onshore Carnarvon and Canning Basins.

As a result New Standard has chosen not to extend or renew three of its Canning Basin permits, EP417, EP443 and EP450 and these have now lapsed. New Standard has retained 100% of EP481 and EP482 in the Carnarvon Basin and EP451 and EP456 in the Canning Basin. These are considered to be the most prospective permits in the portfolio.

New Standard's four remaining permits are under discussion with the Department of Mines and Petroleum (**DMP**) and the Company expects to have new work programs agreed and in place within the next few months. New Standard also has 100% interest in various application areas located in the Canning Basin which are not yet granted.

CORPORATE AND FINANCE

New Standard ended the six months to 31 December 2015 with a cash position of $618,520. At the end of the period the Company held 2,778,000 shares in Sundance Energy Australia Limited (ASX: SEA), of which 1,528,000 are in escrow pending finalisation of due diligence claims. The Company has no debt.

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

On 24 November 2015 New Standard announced a placement of 91.4 million shares to Huizhou Energy at 1c per share, raising $914,424 for the Company. As result of this placement Huizhou became New Standard's largest shareholder with 19.15% of the Company's issued capital. In conjunction with the placement, the parties committed to undertaking a Rights Issue, with Huizhou Energy agreeing to fully underwrite the issue. The Company is currently in discussions with Huizhou Energy around the most appropriate timing for the Rights Issue, given the current oil price and the negative market sentiment.

New Standard accepted the resignations of Directors Mr H C (Kip) Ferguson III and Mr Jeff Swanson in line with Magnum Hunter's sale of their stake in New Standard. The Company also appointed Mr Song Hui and Mr Liu Xiaofeng as Directors representing Huizhou Energy and Mr Ning Han representing Jara Resources.

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

EVENTS SUBSEQUENT TO REPORTING DATE

The Company submitted its tax return for the year ended 30 June 2015 in February 2016. This included a claim for a Research & Development Tax Rebate and expects a net refund of approximately $220,000 to be received within the next month.

Other than the above, there have been no matters or circumstances that have arisen since 31 December 2015 that may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under s.307C of the *Corporations Act 2001* in relation to the review of the half-year is included on page 4.

Signed in accordance with a resolution of the Directors.

Arthur Dixon AM
Chairman
14 March 2016

AUDITOR’S INDEPENDENCE DECLARATION

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF NEW STANDARD ENERGY LIMITED

As lead auditor for the review of New Standard Energy Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 14 March 2016

DIRECTORS' DECLARATION

The Directors of the Company declare that:

The financial statements and notes set out on pages 8 to 19 are in accordance with the *Corporations Act 2001* and:

(i) comply with Accounting Standard AASB 134 *Interim Financial Reporting,* Corporations Regulations 2001 and other mandatory professional reporting requirements;

(ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(iii) in the Directors' opinion, there are reasonable grounds to believe that New Standard Energy Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Arthur Dixon AM
Chairman
14 March 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of New Standard Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of New Standard Energy Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of New Standard Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of New Standard Energy Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent on the consolidated entity's ability to raise additional funds by either a form of equity raising, implementing strategic joint ventures or by asset sale to fund ongoing exploration commitments and for working capital. This condition, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Emphasis of matter

We draw attention to Note 5 in the half-year financial report which describes uncertainty relating to the recoverability of Exploration and Evaluation Expenditure. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 14 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 31 December 2015

	Note	Half-year ended 31 Dec 2015 $	*Restated Half-year ended 31 Dec 2014 $
Continuing operations			
Revenue and other income	2	35,273	49,712
Production and lease operating expenses		–	–
Depletion, depreciation and accretion expenses		(34,786)	(169,714)
Administrative expenses		(627,849)	(892,673)
Employment expenses		(319,007)	(2,171,205)
Share based payments		(159,590)	(122,754)
Foreign exchange loss		(582)	(344,660)
Impairment of exploration and evaluation expenditure	5	(89,431)	(22,113,581)
Loss on investment in available-for-sale		(464,536)	–
Fair value loss on available-for-sale financial assets		(847,290)	–
Fair value gain on hedging instruments entered into for cash flow hedges		–	–
Loss before income tax expense		(2,507,798)	(25,764,875)
Income tax benefit		–	6,647,947
Loss after income tax for the period from continuing operations		(2,507,798)	(19,116,928)
Discontinued operations			
Profit from discontinued operations	13	3,192,790	2,120,774
Profit/(loss) attributable to owners of the Parent entity		684,992	(16,996,154)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	8(b)	(3,229,051)	5,781,888
Changes in the fair value of available-for-sale financial assets		–	(146,063)
Other comprehensive income for the period		(3,229,051)	5,635,825
Total comprehensive loss for the period		(2,544,059)	(11,360,329)
Total comprehensive loss for the period is attributable to:			
Owners of the Company		(2,544,059)	(11,360,329)
		Cents Per Share	Cents Per Share
Loss per share for loss from continuing operations attributable to the ordinary shareholders of the Company			
Basic loss per share (cents per share)	10	(0.63)	(4.95)
Diluted loss per share (cents per share)	10	(0.63)	(4.95)
Earnings per share for profit from discontinued operations attributable to the ordinary shareholders of the Company			
Basic earnings per share (cents per share)	10	0.80	0.55
Diluted earnings per share (cents per share)	10	0.80	0.55

* Restatement relates to discontinued operations. Refer to note 13 for further information.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	31 Dec 15	30 Jun 15
		$	$
Current Assets			
Cash and cash equivalents		618,520	440,894
Trade and other receivables	3	42,752	64,370
Available-for-sale financial assets	4	472,260	–
Assets classified as held for sale	13	–	2,367,890
Total Current Assets		1,133,532	2,873,154
Non-Current Assets			
Exploration and evaluation expenditure	5	4,870,208	4,500,000
Property, plant and equipment		172,030	302,737
Total Non-Current Assets		5,042,238	4,802,737
Total Assets		6,175,770	7,675,891
Current Liabilities			
Trade and other payables	6	640,384	630,258
Total Current Liabilities		640,384	630,258
Non-Current Liabilities			
Total Non-Current Liabilities		–	–
Total Liabilities		640,384	630,258
Net Assets		5,535,386	7,045,633
Equity			
Issued capital	7	67,885,404	67,011,182
Reserves	8	225,926	3,428,661
Accumulated losses	9	(62,575,944)	(63,394,210)
Total Equity		5,535,386	7,045,633

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2015

	Issued Capital	Retained Earnings/ (Accumulated Losses)	Share Based Payment Reserve	Foreign Currency Translation Reserve	Available-for-sale Financial Assets Reserve	Total
	$	$	$	$	$	$
Equity as at 1 July 2015	67,011,182	(63,394,210)	604,302	2,824,359	–	7,045,633
Profit for the period	–	684,992	–	–	–	684,992
Realised profit on translation of foreign operations	–	–	–	(3,229,051)	–	(3,229,051)
Total comprehensive loss	–	684,992	–	(3,229,051)	–	(2,544,059)
Transactions with owners in their capacity as owners;						
Issue of shares, net of transaction costs	874,222	–	–	–	–	874,222
Other comprehensive loss	–	133,274	(133,274)	–	–	–
Share based payments	–	–	159,590	–	–	159,590
Equity as at 31 December 2015	67,885,404	(62,575,944)	630,618	(404,692)	–	5,535,386
Equity as at 1 July 2014	67,011,182	12,417,636	4,162,865	(3,322,949)	–	80,268,734
Loss for the period	–	(16,996,154)	–	–	–	(16,996,154)
Unrealised profit on translation of foreign operations	–	–	–	5,781,888	–	5,781,888
Unrealised loss on available-for-sale financial assets	–	–	–	–	(146,063)	(146,063)
Total comprehensive income / (loss)	–	(16,996,154)	–	5,781,888	(146,063)	(11,360,329)
Transactions with owners in their capacity as owners;						
Share based payments	–	–	122,754	–	–	122,754
Equity as at 31 December 2014	67,011,182	(4,578,518)	4,285,619	2,458,939	(146,063)	69,031,159

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 December 2015

	Note	Half-year ended 31 Dec 2015 $	Half-year ended 31 Dec 2014 $
Cash flows from operating activities			
Receipts from customers		–	5,650,852
Payments to suppliers and employees		(1,327,534)	(6,672,864)
Interest received		5,222	49,722
Interest and other costs of finance paid		–	(1,217,756)
Cash flows from operating activities of discontinued operations	13	(36,260)	–
Net cash used in operating activities		(1,358,572)	(2,190,046)
Cash flows from investing activities			
Payments for oil and gas properties		–	(8,595,431)
Payment for exploration, evaluation and development		(442,317)	(3,902,276)
Proceeds from sale of plant and equipment		39,253	49,639
Proceeds from sale of exploration assets	13	–	6,973,000
Proceeds from sale of available-for-sale financial instrument		1,064,696	–
Net cash provided by/(used in) by investing activities		661,632	(5,475,068)
Cash flows from financing activities			
Proceeds from issue of shares	7	874,222	–
Proceeds from borrowings		–	3,628,004
Repayment of borrowings		–	(130,691)
Net cash flows provided by financing activities		874,222	3,497,313
Net increase/(decrease) in cash and cash equivalents		177,282	(4,167,801)
Cash and cash equivalents at beginning of the financial period		440,894	8,625,765
Exchange rate adjustments		344	428,766
Cash and cash equivalents at the end of the financial period		618,520	4,886,730

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

1. Statement of compliance

The half-year financial statements are general purpose financial statements prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. These half-year financial statements do not include notes of the type normally included in annual financial statements and shall be read in conjunction with the most recent annual financial statements for the year ended 30 June 2015 and any public announcements made by New Standard Energy Limited (**Company**) during the half-year reporting period with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost as modified by the revaluation of certain financial assets. Cost is based on the fair values of the consideration given in exchange for assets. The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's annual financial statements for the financial year ended 30 June 2015. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by the Company and its controlled entities during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Going Concern

The Directors believe that the consolidated entity will continue as a going concern. As a result the financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the period the consolidated entity incurred a net gain after income tax of $684,992 (per Consolidated Statement of Profit or Loss and Other Comprehensive Income) and incurred net cash outflows from operating and investing activities of $696,940 (per Consolidated Statement of Cash Flow). The Directors believe that they will be able to raise additional capital as required and that the Group will continue as a going concern and as a result the financial report has been prepared on a going concern basis. In arriving at this position the Directors have considered the following pertinent matters:

- In November 2015 the Company signed a Share Subscription Agreement with Huizhou Energy Investment (Beijing) Co. Ltd (**Huizhou**) which contracted them to fully underwrite a 1-for-3 Rights Issue to raise approximately $1 million. The Directors are in discussion with Huizhou in relation to the timing of the Rights Issue taking into consideration the fluctuating oil price and market sentiment;

- The Company holds 2.78 million fully paid ordinary Sundance Energy Australia Limited (ASX: SEA) shares, including escrowed shares, which can be used by the Group as a future funding source; and

- Should it be required the Directors are satisfied that they will be able to raise additional funds by either a form of equity raising, implementing strategic joint ventures or by asset sale to fund ongoing exploration commitments and for working capital.

However, should the consolidated entity be unsuccessful in undertaking additional raisings, there is a material uncertainty that may cast significant doubt as to whether the consolidated entity will be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of assets and liabilities that might be necessary should the Group not continue as a going concern.

Impairment of assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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

1. Statement of compliance (cont'd)

Critical accounting judgements and key source of estimation uncertainty

In the application of the consolidated entity's accounting policies, (which are described in Note 1 of the most recent annual financial statements for the year ended 30 June 2015), management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty and significant judgements

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

Carrying value of exploration and evaluation expenditure

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The carrying amount of exploration expenditure at the reporting date was $4,870,208.

The ultimate recoupment of costs carried forward for exploration and evaluation assets is dependent either upon the successful development and commercial exploitation, or sale, of the respective areas of interest. If the asset is successfully developed it will be transferred and reclassified as a production asset. The production asset will then be accounted within Oil and Gas properties to which its carrying value will be depleted as production value is extracted from the asset.

Deferred tax balances

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

Share-based payment transactions

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

Impact of New or Revised Accounting Standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2015, except for the adoption of new standards and interpretations effective as of 1 July 2015 detailed below:

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.
  The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

	31 Dec 2015 $	*Restated 31 Dec 2014 $
2. Revenue and other income		
Revenue:		
Interest revenue	6,273	49,712
Other income consisted of the following items:		
Other income	29,000	–
	35,273	49,712

* Restatement relates to discontinued operations. Refer to note 13 for further information.

		31 Dec 2015	30 Jun 2015
		$	$
3.	Trade and other receivables		
	Current		
	Trade receivables	11,500	718,587
	Other receivables	31,252	64,370
	Transfer to Asset Held for Sale (i)	–	(718,587)
		42,752	64,370

(i) On 29 June 2015, the Group announced the disposal of assets to Sundance Energy Australia Ltd. The transaction was approved by shareholders on 4 August 2015 and the sale completed on 10 August 2015. In accordance with AASB 5 the assets and liabilities of New Standard Energy Texas LLC and New Standard Energy PEL 570 Pty Ltd are disclosed as discontinued operations. Refer to note 13 for further information.

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

		31 Dec 2015	30 Jun 2015
4.	Available-for-sale financial assets		
	Listed securities		
	Sundance Energy Australia Ltd (i)	472,260	–
		472,260	–

(i) On 10 August 2015 the Group completed the sale of assets to Sundance Energy Australia Ltd (SEA). The Company received 6,000,000 SEA fully paid ordinary shares, the majority of which is freely tradable. The Company held 2.78 million ordinary SEA shares as at 31 December 2015.

		31 Dec 2015	30 Jun 2015
5.	Exploration and evaluation expenditure		
	Balance at beginning of period	4,500,000	54,408,596
	Revenue offset	–	(142,270)
	Expenditure incurred	459,639	3,560,779
	Expenditure impaired (i)	(89,431)	(34,314,456)
	Foreign exchange movement	–	2,531,731
	Expenditure recovered	–	(1,889,670)
	Disposal of exploration assets	–	(6,708,874)
	Transfer to asset held for sale	–	(12,945,836)
	Balance at end of period	4,870,208	4,500,000

(i) During the period the Company recognised a non-cash impairment charge of $89,431 (30 Jun 2015: $34,314,456) relating to the carried forward capitalised exploration expenditure associated with its surrendered exploration assets based in Western Australia. This charge reflects the steps and measures followed pursuant to the Australian Accounting Standards (AASB6) when testing for impairment indicators. This charge has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The Company has taken a conservative view of the carrying value for the projects at 31 December 2015 taking into considering the exploration expenditure, other than rental and incidental land costs, has been budgeted for the financial year ended 30 June 2016.

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

The Company is currently in discussion with the Department of Mines and Petroleum (DMP) and has submitted an application for variations and exemptions on the exploration work commitments for the existing permits which allows the Company to renew the permits at the end of 2016. In the event the application is not approved the Company will have to reassess the existing permits, including potential relinquishment of all or part of the permits.

Should the Company be unsuccessful in its renegotiation with the DMP on the above matter, there is material uncertainty which casts significant doubt on the recoverability of the exploration and evaluation asset.

		31 Dec 2015 $	30 Jun 2015 $
6.	Trade and other payables		
	Current		
	Trade payables	199,442	3,658,761
	Other payables and accrued expenses	440,942	660,867
	Transfer to Asset Held for Sale (i)	–	(3,689,370)
		640,384	630,258

(ii) On 29 June 2015, the Group announced the disposal of assets to Sundance Energy Australia Ltd. The transaction was approved by shareholders on 4 August 2015 and the sale completed on 10 August 2015. In accordance with AASB 5 the assets and liabilities of New Standard Energy Texas LLC and New Standard Energy PEL 570 Pty Ltd are disclosed as discontinued operations. Refer to note 13 for further information.

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

		31 Dec 2015 $	30 Jun 2015 $
7.	Issued capital		
	477,612,003 fully paid ordinary shares (30 Jun 2015: 386,169,603)	67,885,404	67,011,182

	No.	$
Fully paid ordinary shares		
Balance at 1 July 2014	386,169,603	67,011,182
Balance at 30 June 2015	386,169,603	67,011,182
On 1 December 2015, issue of shares to Huizhou Energy Investment (Beijing) Co Ltd	91,442,400	914,424
		67,925,606
Less: Transaction costs arising from share issues		(40,202)
Balance at 31 December 2015	477,612,003	67,885,404

		31 Dec 2015 $	30 Jun 2015 $
8.	Reserves		
	Share based payments reserve	630,618	604,302
	Foreign currency translation reserve	(404,692)	2,824,359
		225,926	3,428,661
	(a) Movements in share based payments reserve		
	Balance at beginning of period	604,302	4,162,865
	Add: Issue of options		
	Directors	157,686	132,335
	Employees	1,904	214,112
	Less: Option and/or rights expired and lapsed	(133,274)	(3,905,010)
	Balance at the end of period	630,618	604,302

Nature and purpose of reserve

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

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for the 6 months ended 31 December 2015

		31 Dec 2015 $	30 Jun 2015 $
8.	Reserves (cont'd)		
	(b) Movements in foreign currency translation reserve		
	Balance at beginning of period	2,824,359	(3,322,949)
	Unrealised profit on translation of foreign operation	–	6,147,308
	Realised gain from discontinued operations	(3,229,051)	–
	Balance at the end of the period	(404,692)	2,824,359

Nature and purpose of reserve

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

		31 Dec 2015 $	30 Jun 2015 $
9.	Accumulated losses		
	Balance at the beginning of period	(63,394,210)	12,417,637
	Net profit/(loss) attributable to members of the Company	684,992	(79,716,857)
	Items of other comprehensive income recognised directly in retained earnings		
	Expired options / rights in prior periods	133,274	3,905,010
		(62,575,944)	(63,394,210)

10. (Loss)/earnings per share

	31 Dec 2015 Cents per share	*Restated 31 Dec 2014 Cents per share
Basic (loss)/earnings / (loss)/profit per share		
Continuing operations	(0.63)	(4.95)
Discontinued operations	0.80	0.55
Diluted (loss)/earnings / (loss)/profit per share		
Continuing operations	(0.63)	(4.95)
Discontinued operations	0.80	0.55

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

	$	$
(Loss)/profit for the period		
Continuing operations	(2,507,798)	(19,116,928)
Discontinued operations	3,192,790	2,120,774
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	401,078,690	386,169,603
Weighted average number of ordinary shares used in the calculation of diluted EPS	401,078,690	386,169,603

* Restatement relates to discontinued operations. Refer to note 13 for further information.

11. Segment reporting

The segment information provided to the Managing Director for the reportable segments for the half-year ended 31 December 2015 and the prior comparative period are as follows:

Australia

The Group currently operates within 2 geological basins, being the Canning and Carnarvon.

United States

On 10 August 2015 the Group completed the sale of assets including NSE Texas LLC, which held the producing Eagleford asset located within the Atascosa and Colorado counties and NSE PEL 570 Pty Ltd which held the Copper Basin asset to Sundance Energy Australia Ltd. In accordance with AASB 5 the revenue, expenses, assets and liabilities of New Standard Energy Texas LLC (United States) and New Standard Energy PEL 570 Pty Ltd (Australia) are disclosed as discontinued operations. Refer to note 13 for further information.

	Australia		United States		Total	
	31 Dec 15	*Restated 31 Dec 14	31 Dec 15	*Restated 31 Dec 14	31 Dec 15	*Restated 31 Dec 14
	$	$	$	$	$	$
Administration and employment expenses	(1,037,694)	(2,909,989)	(65,411)	(276,643)	(1,103,105)	(3,186,632)
Depreciation expenses	(34,786)	(169,714)	–	–	(34,786)	(169,714)
Impairment expense	(89,431)	(22,113,581)	–	–	(89,431)	(22,113,581)
Loss on available-for-sale financial assets	(464,536)	–	–	–	(464,536)	–
Fair value adjustment	(847,290)	–	–	–	(847,290)	–
Reportable segment loss	(2,473,737)	(25,193,284)	(65,411)	(276,643)	(2,539,148)	(25,469,927)
Other income	35,273	49,712	–	–	35,273	49,712
Other costs	(3,923)	–	–	(344,660)	(3,923)	(344,660)
Net loss before tax	(2,442,387)	(25,143,572)	(65,411)	(621,303)	(2,507,798)	(25,764,875)

	Australia		United States		Total	
	31 Dec 15	30 Jun 15	31 Dec 15	30 Jun 15	31 Dec 15	30 Jun 15
	$	$	$	$	$	$
Segment assets						
Exploration assets	4,870,208	4,500,000	–	–	4,870,208	4,500,000
Development assets	–	–	–	–	–	–
Oil and gas properties	–	–	–	–	–	–
Assets held for sale (i)	–	2,367,890	–	–	–	2,367,890
Other assets	1,305,603	803,465	(41)	4,536	1,305,562	808,001
Total assets	6,175,811	7,671,355	(41)	4,536	6,175,770	7,675,891
Segment liabilities						
Borrowings	–	–	–	–	–	–
Other liabilities	611,585	617,484	28,799	12,774	640,384	630,258
Total liabilities	611,585	617,484	28,799	12,774	640,384	630,258
Net assets	5,564,226	7,053,871	(28,840)	(8,238)	5,535,386	7,045,633

* Restatement relates to discontinued operations. Refer to note 13 for further information.

(i) On 10 August 2015 the Group completed the sale of assets including NSE Texas LLC, which held the producing Eagleford asset located within the Atascosa and Colorado counties and NSE PEL 570 Pty Ltd which held the Copper Basin asset to Sundance Energy Australia Ltd. In accordance with AASB 5 the revenue, expenses, assets and liabilities of New Standard Energy Texas LLC (United States) and New Standard Energy PEL 570 Pty Ltd (Australia) are disclosed as discontinued operations. Refer to note 13 for further information.

12. Fair value measurement

The directors consider that the carrying amounts of assets and liabilities recognised in the consolidated financial statements approximate their fair values.

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 $	Level 2 $	Level 3 $	Total $
31 Dec 2015				
Available-for-sale financial assets (i)	472,260	–	–	472,260
Capitalised exploration, evaluation and development (ii)	–	–	–	–
	472,260	–	–	472,260
30 Jun 2015				
Capitalised exploration, evaluation and development (ii)	–	–	4,500,000	4,500,000
	–	–	4,500,000	4,500,000

(i) The fair value of the available-for-sale financial assets is derived from quoted market prices in an active market.

(ii) The valuation methodology undertaken by the Group was determined with ongoing discussions with interested parties. At 30 June 2015 the estimated recoverable amount of the capitalised exploration and evaluation expenditure was classified as level 3 and was sensitive to the movements in the oil and gas prices. During the period ended 31 December 2015 the capitalised exploration and evaluation expenditure was transferred out of level 3 (refer note 5 for further information). There have been no impairment indicators as at 31 December 2015 that would require reassessment of fair value.

13. Discontinued operations: disposal of subsidiary – (loss)/gain on sale of subsidiary

31 Dec 2015

On 10 August 2015 the Group completed the sale of assets including NSE Texas LLC, which held the producing Eagleford asset located within the Atascosa and Colorado counties and NSE PEL 570 Pty Ltd which held the Copper Basin asset to Sundance Energy Australia Ltd (Sundance).

(a) Financial performance and cash flow information

	1 month ended 10 Aug 2015 $	6 months ended 31 Dec 2014 $
The following were the results of the business for the half-year:		
Revenue	180,555	4,161,958
Operating expenses	(633,571)	(3,917,668)
Foreign exchange impact during the period	112,865	–
Loss before income tax	(340,151)	244,290
Income tax expense/(credit)	–	1,876,484
Loss after income tax	(340,151)	2,120,774
The following were the net cash outflow for the period		
Net cash (outflow)/inflow from operating activities	(36,260)	3,427,062
Net cash outflow from investing activities	–	(7,083,054)
Net cash inflow from financing activities	–	3,497,313
Net decrease in cash generated by subsidiary	(36,260)	(158,679)

13. Discontinued operations: disposal of subsidiary – (loss)/gain on sale of subsidiary (cont'd)

30 Dec 2015 (cont'd)

(b) Financial performance and cash flow information

The net assets of NSE Texas LLC and New Standard Energy PEL570 Pty Ltd at the date of disposal were as follows:

	10 Aug 2015
	$
Consideration	2,850,000
Less: Carrying value of net assets disposed	(2,546,109)
Reclassification of foreign exchange reserve	3,229,050
	3,532,941
Revenue	180,555
Operating expenses	(633,571)
Foreign exchange impact during the period	112,865
Profit from discontinued operations	3,192,790

A gain of $3,192,790 was recognised on the disposal of NSE Texas LLC and New Standard Energy PEL570 Pty Ltd, no tax charge or credit arose on the transaction. The sales proceed for the net assets above is 6,000,000 Sundance Energy Australia Limited's ordinary shares, the majority of which will be freely tradable. Based on the share price of 47.5 cents as at 10 August 2015, the scrip component of the consideration was valued at A$2,850,000 and was transferred to available-for-sale financial assets (refer to note 4).

31 Dec 2014

During September 2014 the Group disposed of Outback Energy Hunter Pty Ltd, which held exploration assets located in the Cooper Basin, South Australia.

The following were the results of the business for the period:

	3 months ended 30 Sep 2014	6 months ended 31 Dec 2013
	$	$
Revenue	–	–
Operating expenses	(1,463)	–
Loss before income tax	(1,463)	–
Income tax expense/(credit)	–	–
Loss after income tax	(1,463)	–

The net assets of Outback Energy Hunter Pty Ltd at the date of disposal were as follows:

	30 Sep 2014
	$
Net assets disposed	6,708,874
Less: cost associated with disposal	527,045
	7,235,919
Profit from discontinued operations	264,081
Total consideration	7,500,000
Satisfied by cash, and net cash inflow arising on disposal	6,972,955

A gain of $264,081 was recognised on the disposal of Outback Energy Hunter Pty Ltd, no tax charge or credit arose on the transaction.

14. Contingent Liability

There have been no material changes in contingent liabilities since 30 June 2015.

15. Events occurring after reporting date

The Company submitted its tax return for the year ended 30 June 2015 in February 2016. This included a claim for a Research & Development Tax Rebate and expects a net refund of approximately $220,000 to be received within the next month.

Other than the above, there have been no matters or circumstances that have arisen since 31 December 2015 that may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.