



**NEW STANDARD
ENERGY**

27 September 2012

ASX Announcement

**NICOLAY #1 WEEKLY DRILLING UPDATE
(ASX: NSE)**

New Standard Energy Ltd (**New Standard**) provides the following weekly drilling update for the Nicolay #1 well which details drilling operations up to 06:00hrs on Thursday 27 September 2012.

The Nicolay #1 well is the first of a three well drilling program on the Goldwyer Project in the Canning Basin and is being drilled on EP456 by MB Century Rig #14. The well is being funded under the terms of the farm-in agreement with ConocoPhillips pursuant to which ConocoPhillips are funding the first US\$13m per well. The expected target depth of the Nicolay #1 well will be approximately 3,450m and no horizontal drilling or hydraulic fracturing will be involved in this phase of the program.

The primary objective of the Nicolay #1 well is to gather a comprehensive, modern data set over a large section of the Goldwyer formation (primary target) via a detailed program consisting of mud logging, full coring and electric wireline logs to be taken over a significant thickness of the prospective Goldwyer formation. Information regarding the secondary targets of the overlying Bongabinni and Nita formations will also be gathered.

At 06:00hrs on Thursday 27 September the Nicolay #1 well had been drilled to a total measured depth of 2,649m where 9 5/8 inch casing was being run and cemented in the upper Bongabinni formation. During the week the well was drilled ahead to the current casing point at 2,643m following which the acquisition of intermediate wireline logs through the top-hole section was completed and the process of running and cementing the 9 5/8 inch casing commenced.

No hydrocarbons were encountered during the week and none were anticipated.

The forward plan for the week will be to complete the running and cementing of the 9 5/8 inch casing to a depth of 2,643m following which the casing and associated cement will be pressure tested to facilitate the recommencement of drilling. Once successfully pressure tested, the well will be drilled ahead to the Nita formation where final preparations will be made for the coring program to be undertaken through both the Nita and Goldwyer formations.

In accordance with its policy of releasing weekly drilling progress reports, New Standard expects to issue the next drilling progress report on 4 October 2012 (around midday WST), subject to any material events occurring in the meantime.

-ENDS-

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NEW STANDARD ENERGY

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

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

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

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



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Weekly Drilling Report - Nicolay #1

Project	Goldwyer Project, Canning Basin
Well Details	Nicolay #1 is located in exploration permit EP 456 in the Great Sandy Desert, east of Port Hedland. A location map is provided below
Well Location	Latitude: 20°34'12"S Longitude: 123°15'31"E
Equity Interests	New Standard 25% (Operator) ConocoPhillips 75%
Date of progress report	06:00hrs, 27 September 2012 (AWST)
Proposed total depth	3,450 metres (approximately)
Current depth	2,649 meters (06:00hrs, 27 September 2012)
Spud date	18 August 2012
Days since spud	39
Current target formation	The Nicolay #1 well is targeting the Goldwyer formation (primary target) as well as the overlying lower Bongabinni and Nita formations (secondary targets)
Operations since last progress report	Since the last report the well has been drilled ahead in 12 ¼ inch hole to a total measured depth of 2,649m where 9 5/8 inch casing was being run and cemented in the upper Bongabinni formation. During the week the well was drilled ahead to the casing point at 2,649m where the acquisition of intermediate wireline logs through the top-hole section was completed and the process of running and cementing the 9 5/8 inch casing was commenced.
Hydrocarbon indications	None – none expected
Forward operations	The forward plan for the week will be to complete the running and cementing of the 9 5/8 inch casing to a depth of 2,649m following which the casing and associated cement will be pressure tested to facilitate the recommencement of drilling. Once successfully pressure tested the well will be drilled ahead to the Nita formation where final preparations will be made for the coring program to be undertaken through both the Nita and Goldwyer formations.

Location Map: Goldwyer Project's Phase 1 Nicolay #1 well location

