



**NEW STANDARD
ENERGY**

20 August 2012

ASX Announcement

**NEW STANDARD SPUDS NICOLAY #1 WELL
AT GOLDWYER PROJECT
(ASX: NSE)**

HIGHLIGHTS

- **Nicolay #1 successfully spudded on Saturday 18th August**
- **Vertical well to be drilled to a target depth of approximately 3,450 metres**
- **Primarily targeting Goldwyer formation with secondary interest in the overlying Bongabinni and Nita formations**
- **Full core and logging data to assist with evaluation of prospectivity and design of future wells and exploration phases**

New Standard Energy Ltd (**New Standard**) is pleased to advise that its Nicolay #1 well was spudded on Saturday 18th August, commencing the first of a three well drilling program on the Goldwyer Project in the Canning Basin.

The MB Century Rig #14 is currently drilling ahead in a 17 ½ inch hole towards the first casing point on the way to a target depth of approximately 3,450 metres. 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 prospective Goldwyer formation. Information regarding the secondary targets of the overlying Bongabinni and Nita formations will also be gathered.

Drilling to target depth is expected to take approximately 55 days (drill, log and suspend) and no horizontal drilling or hydraulic fracturing will be involved in this phase of the program.

New Standard Managing Director Sam Willis said the spudding of Nicolay #1 is an exciting milestone for New Standard shareholders as it marks the commencement of the first intensive, modern drilling program to be undertaken in over 30 years in the southern portion of the Canning Basin.

“Despite the early stage nature of the Goldwyer Project, the combination of New Standard’s pre-drill technical evaluation, the potential resource size as estimated by independent third parties and the technical input from Goldwyer co-venturer ConocoPhillips provides confidence to the company that the drill program was based on a solid foundation,” Mr Willis said.

Data will be acquired through a combination of full coring throughout the Goldwyer formation, sophisticated mud-logging and a comprehensive suite of electric wireline logs. Following data acquisition, a detailed set of scientific studies and analysis will be undertaken to fully assess the Goldwyer formation’s prospectivity in addition to targeted reservoir evaluation to be undertaken on site to gather detailed information on reservoir pressures and fracture potential of the Goldwyer formation. This information will assist in identifying which section(s) within the Goldwyer formation has the most prospective characteristics and help refine and delineate potential future target zones as a result.

“The data we will obtain from the mud logs and electric wireline logs together with the full cores that we retrieve will provide an important first look at the prospectivity of the Goldwyer formation and valuable information for future wells and subsequent phases of the exploration program,” Mr Willis stated.



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The first weekly drilling report for the Nicolay #1 well is attached to this release. During the course of drilling operations weekly drilling updates will be provided to the ASX around midday (WST) each Thursday, or otherwise as required upon the occurrence of any material event.

The Company expects to issue the next drilling progress report on 23 August 2012, subject to any material events occurring in the meantime.

-ENDS-

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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.

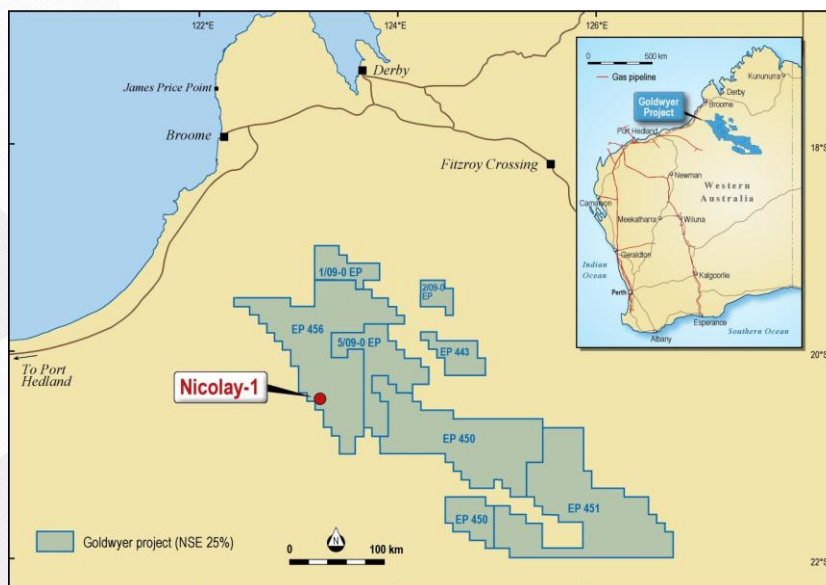


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Weekly Drilling Report - Nicolay #1

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, 20 August 2012 (AWST)
Proposed total depth	3,450 metres (approximately)
Current depth	243 meters
Spud date	18 August 2012
Days since spud	2
Current target formation	The Nicolay #1 well is targeting the Goldwyer formation (primary target) as well as the overlying Bongabinni and Nita formations (secondary targets)
Operations since last progress report	The well was spudded at 20:00 hours on 18 August 2012 and has been drilled ahead in 17 ½ inch hole to a measured depth of 243 meters
Hydrocarbon indications	None – none expected
Forward operations	Drill ahead in 17 ½ inch hole to the 13 3/8 inch casing point

Location Map



Above: The Goldwyer Project's Phase 1 well site Nicolay #1, first to be drilled in a series of three initial exploration wells