



NEW STANDARD
ENERGY

ASX Code: NSE
ACN 119 323 385

CONTACT DETAILS

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BOARD OF DIRECTORS:

Arthur Dixon, AM
Chairman

Sam Willis
Managing Director

Mark Hagan
Technical Director

Chris Sadler
Non-Executive Director

Phil Thick
Non-Executive Director

David Hansen-Knarhoi
Joint Company Secretary/CFO

Mark Clements
Joint Company Secretary

ISSUED CAPITAL
at 30 June 2012
~ 305m Shares
12.2m Unlisted
Options

MARKET CAPITALISATION
As at 30 June 2012
~ \$165m
(last @ 54c per share)

CASH ON HAND
at 30 June 2012
~ \$24.9m

INVESTMENT IN BURU
As at 30 June 2012
~ \$47.1m (@ \$3.14 per share)

INVESTMENT IN ELIXIR
As at 30 June 2012
~ \$1.9m (@ \$0.05 per share)

Quarterly Activities Report

April to June 2012

HIGHLIGHTS

Australian Exploration

- Execution of Phase 1 of the Goldwyer exploration program begins
- MB Century Rig #14 successfully mobilised to Nicolay #1 drill site
- Completion of civil works for Nicolay #1 including 300km of upgraded track to site and the construction and establishment of a functional airstrip, drill pad and camp site
- Nicolay #1 remains on track to spud around end of July 2012
- Civil works construction and approvals for Blatchford #1 and Gibb Maitland #1 progressing well
- Technical update of the Merlinleigh Project delivers encouraging results

United States Exploration and Production

- Production continues from Colorado County Project wells
- US project joint venture partners commence drilling initial horizontal well (NSE non consent)

Corporate and Finance

- Current cash position of ~\$24.9m, liquid investments of ~\$49m
- Additional \$3.125m raised during the quarter via exercise of director options
- Board strengthened through appointments of Chris Sadler and Phil Thick as non-executive Directors
- Key management strengthened through appointment of Ken Aitken as General Manager Operations and Engineering

AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES OVERVIEW

Following months of planning and preparation, Phase 1 of the Goldwyer Project has reached a major execution phase as New Standard approaches the commencement of drilling at the first exploration well location Nicolay #1. Nicolay #1 is the first of three vertical wells planned to target the potential wet gas window of the Goldwyer formation within the Goldwyer Project acreage. The locations have been identified by New Standard and ConocoPhillips and are based on the limited current database available.

A significant milestone achieved in the execution of Phase 1 during the quarter was the successful mobilisation of the MB Century Rig #14 (**MBC #14**) to site at Nicolay #1, following the completion of civil works associated with access tracks and the Nicolay #1 well site. Over 300km of the Kidson track has been upgraded and maintained to facilitate the successful mobilisation of MBC #14 which has been further aided by the completion of a new site airstrip and the establishment of site camp and facilities including reliable water sources.

AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES OVERVIEW (cont'd)

New Standard is currently working through final rig up and close-out of statutory compliance inspections and related matters to ensure the Nicolay #1 drilling operations will commence in a safe, well managed environment. At this stage no major impediments to successfully finalising those matters are apparent and activities remain on track for spud of the Nicolay #1 well around the end of July 2012.





Following the release of a comprehensive technical review of the Merlinleigh Project during the quarter, New Standard remains excited about the potential prospectivity of the acreage and is preparing to accelerate the progression of this asset during the 2H, 2012. With the potential for both conventional and unconventional hydrocarbon plays of substantial scale, the 100% owned Merlinleigh Project continues to rapidly emerge as a valuable project within the New Standard portfolio.

Goldwyer Project, Canning Basin (New Standard 25% operated, 75% ConocoPhillips)

EP's 443, 450, 451, 456 and application areas 1/09-0, 2/09-0 and 5/09-0

The Goldwyer Project participants (New Standard and ConocoPhillips) have jointly identified and agreed the three drilling locations for the Phase 1 exploration program with a drilling campaign focused on data acquisition to provide initial validation of the potential for a substantial resource play across the Goldwyer Project acreage. 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 in specialised laboratories to fully assess the Goldwyer formation's prospectivity in addition to reservoir evaluation to be undertaken on site to gather detailed information on reservoir pressures and fracture potential of the formations of interest. This information will assist to identify which section(s) within the Goldwyer formation has the most prospective characteristics and help refine the target zones as a result. It will also contribute valuable information to facilitate the early design of Phase 2 work should a decision be made to proceed.

The information being acquired through the Phase 1 drilling program and subsequent scientific analysis and reservoir evaluation is aimed at obtaining a comprehensive, modern data set in order to more fully appraise the potential for presence of a regional hydrocarbon resource of significant scale and prospectivity. In particular, the data being sought is aiming to establish the following attributes that are important for successful shale plays:

-  Quality of the source rock (TOC, Kerogen type, Maturity, Gas to Condensate Ratio, Rock Evaluation)
-  Quality of the reservoir (Facies, GRI Porosity, Saturation, Permeability)
-  Containment (Seal, Faults, Burial History, Residence Time)
-  Brittle and breakable rock (Mineralogy, Contiguous Thickness, Depth, Pressure, Stress Regime)

Establishment of encouraging results for each of these aspects during Phase 1 will help provide the basis for making a decision to proceed to Phase 2 of the farm-in program.

Nicolay #1 Progress

As operator of the Goldwyer Project, New Standard has been undertaking regular consultation with government regulators and traditional owners to build awareness of the drilling program and communicate its commitment to responsible and safe exploration practices. To date all Goldwyer Project operations have been safely and successfully conducted with zero recordable safety incidents.

AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES OVERVIEW (cont'd)

As detailed in one of the Goldwyer project updates released to the market during the quarter, key advancements in the project development including an insight into the planning, procurement and site construction of the Nicolay #1 well site were outlined. New Standard has received all necessary environmental and heritage approvals for the commencement of drilling at the Nicolay #1 site and work is underway to finalise the remaining permits for the second and third wells (Gibb Maitland #1 and Blatchford #1) in the joint-venture program. All civil works in relation to the access roads and Nicolay #1 well site are complete and over 300km of the Kidson track has now been upgraded and maintained to facilitate the successful mobilisation of equipment and personnel into the basin.



Upgraded Kidson track into New Standard's Canning Basin permits

MBC #14 has been successfully mobilised to the Nicolay #1 site and an exploration camp and airstrip have also been established. Good progress has been made on rigging up MBC #14 and drill casing, wellheads, drill bits and consumables have been mobilised to site in preparation for spud. Final rig up and compliance inspections are currently being closed out to ensure that drilling can commence at Nicolay #1 in a timely and safe manner. It is currently anticipated that Nicolay #1 will spud around the end of July 2012.

Safe operations are a major focus as New Standard builds and establishes its operating credentials. A primary focus of the process leading up to (and including) the spud of Nicolay #1 has been on ensuring operations are conducted in a safe and well managed manner. At this stage, whilst some minor delays have been experienced to date, no major impediments to successfully addressing the remaining rig up and compliance processes are apparent and activities are on track for spud of the Nicolay #1 well around the end of July 2012. In the meantime the rig costs associated with the mobilisation and rig up have been capped under the agreement with MB Century and other operating costs are being prudently managed via a staged mobilisation of contractors to coincide with the impending spud date around the end of July.

AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES OVERVIEW (cont'd)

Nicolay #1 has undergone a rigorous planning and review process, with well design and engineering specifically tailored for the early stages of unconventional exploration of the Goldwyer formation. Nicolay #1 will be drilled to approximately 3,400 metres and is aimed at gathering a comprehensive understanding of the Goldwyer play through the intended acquisition and analysis of a substantial section of full core over the entire thickness of the Goldwyer formation. In order to help minimise risk, the Nicolay #1 location has been sited on an existing 2D seismic survey line and located in order to target the potentially liquids rich maturity windows within the Goldwyer formation.

Forward Planning – Gibb Maitland #1 and Blatchford #1

Whilst significant focus is on the commencement of drilling at Nicolay #1, road construction and water well drilling is continuing ahead towards the Gibb Maitland #1 location in order to ensure access tracks and drill pad and camp site preparation are sufficiently well planned and prepared ahead of an inter-well rig move following completion of the Nicolay #1 drilling. Significant progress is being made with civil works and New Standard is currently finalising the last of the environmental approvals for Blatchford #1 access and drilling locations. All heritage approvals are now successfully in place for both Gibb Maitland #1 and Blatchford #1 - another major milestone in terms of forward planning for the Phase 1 program.

In light of these achievements and progress, the forward planning and execution remains on track to enable the successful completion of the remainder of the Phase 1 drilling program.

In summary, the Goldwyer Joint Venture is currently on the verge of commencing the first modern exploration program for in excess of 35 years in the remote parts of the southern Canning Basin. The commencement of drilling at Nicolay #1 will be a landmark event for New Standard and its shareholders as we commence the process of systematically exploring and evaluating a potential world class hydrocarbon resource in conjunction with our partner ConocoPhillips - a global leader in the unconventional hydrocarbon sector.

Laurel Project, Canning Basin (New Standard 50% Operator; Buru Energy 35%, Green Rock 15%)

Whilst New Standard is not undertaking any operational activities on the Laurel Project the acreage remains an exciting asset in the New Standard portfolio. From a regional perspective, the Laurel play continues to be progressed through additional drilling by Buru Energy Limited (**Buru**) and its joint venture partner Mitsubishi to the north-west of New Standard's Laurel Project

Drilling is currently continuing at both Yulleroo #3 and Ungani North with both wells aiming to establish further evidence of extensions to the respective existing plays. The Yulleroo #3 well is aiming to establish the potential for another basin centred gas accumulation of substantial potential size, similar to that being delineated by Buru at Valhalla further along the strike to the east. Encouraging results from recent wireline logs have revealed a larger hydrocarbon bearing portion of the Laurel than initially anticipated. Ungani North provides a test of a discrete structural trap located immediately along the trend from the Ungani-1 and Ungani-2 discovery wells. Given this is a separate structural closure, the results are not expected to impact the size or outcome of the original Ungani discovery, however a successful outcome will provide further evidence of the regional potential of the Ungani play type in the area.















Any ongoing success from this continued activity will provide solid ongoing encouragement regarding the potential of the emerging Laurel play across the region.

AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES OVERVIEW (cont'd)

New Standard is currently planning to undertake some initial aerial gravity work pursuant to the work commitments forming part of the SPA application over the Seven Lakes SPA area immediately adjacent to EP417. This work will also take in the acreage across EP417 to enhance the regional database and facilitate more detailed reviews of the prospectivity of the permits in light of recent exploration successes in the region. Further news on these aerial gravity plans will be forthcoming as contractor availability and timing firms up.

Merlinleigh Project, Onshore Carnarvon Basin (New Standard 100%)

Following a more detailed review of the existing database and analysis of the regional geology, New Standard released a technical update on the Merlinleigh Project during the quarter. Overall the review was encouraging and confirmed the continued emergence of the Merlinleigh Project as a very exciting second asset. The review included the following findings:

-  Technical reviews have strengthened potential prospectivity of Merlinleigh sub-basin
 -  Proven hydrocarbon generating basin with good quality source rocks
 -  Good gas shows in the Kennedy Range #1 well with gas bleeding from cores
-  Significant unconventional and conventional resource potential emerging
 -  Unconventional: 33 TCF potential GIP in mature shales across 1,100km² zone
 -  Conventional: up to 1.2 TCF GIP across 4 key prospects
 -  Primarily gas targets but evidence for liquids potential also exists
-  Strong commercial drivers present for the Merlinleigh Project
 -  Access to major gas infrastructure (adjacent to the Bunbury to Dampier Pipeline)
 -  Close to attractive domestic gas markets in the Pilbara and Mid-West regions
-  Negotiations with Traditional Owners entering advanced stages
 -  Native title agreements expected to be reached in the near future to trigger the grant of the two petroleum exploration permits
-  Partnering alternatives to be further assessed during H2, 2012
-  Accelerated exploration campaign being planned for H1, 2013

The project lies within the Merlinleigh sub-basin of the greater Carnarvon basin immediately adjacent to the Dampier to Bunbury Natural gas Pipeline and comprises the majority of the mature geological settings within the proven working petroleum system. The project has significant potential for unconventional hydrocarbons as evidenced by the encouraging presence of thick, organic rich source rocks with excellent TOC measurements, elevated hydrocarbon readings on historical logs and evidence of gas bleeding from various associated cores.

Positive Technical Review

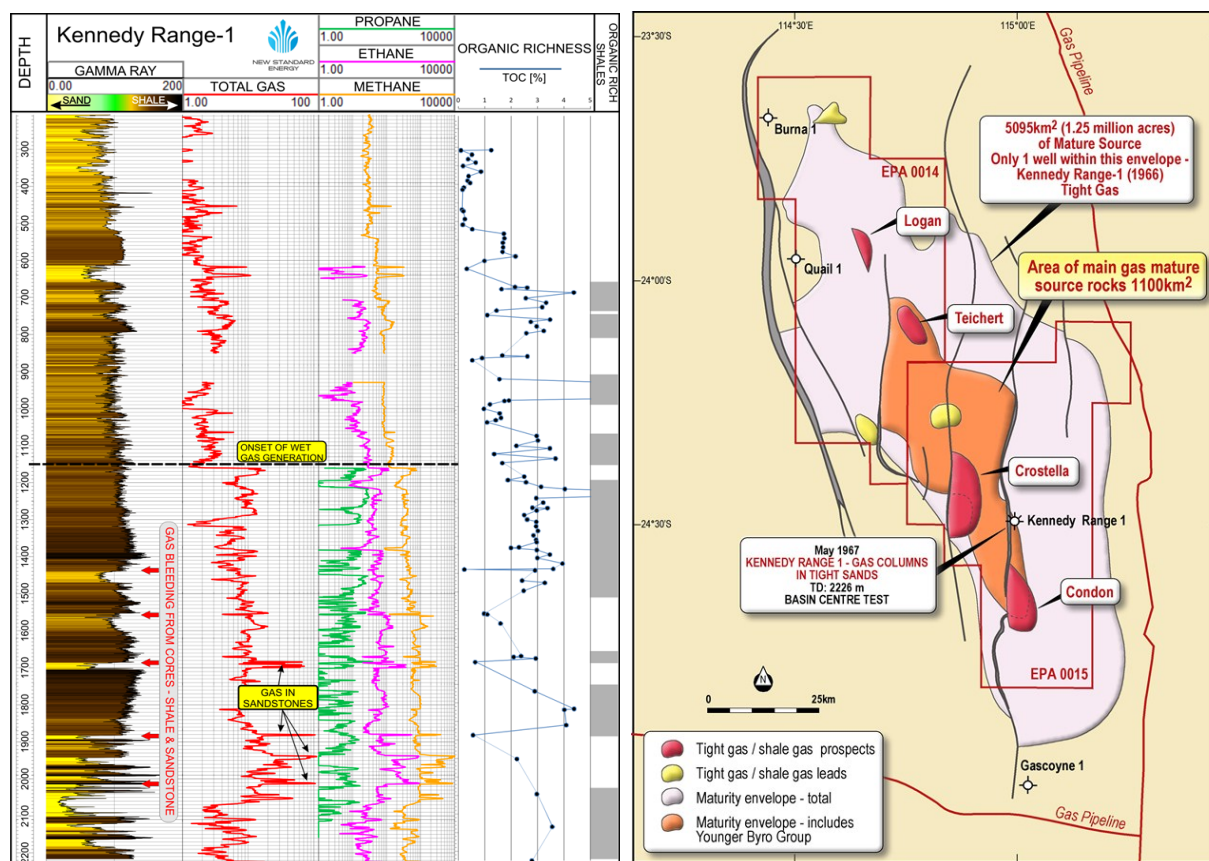
The technical review highlighted that the prospectivity of both the unconventional and conventional plays is encouraging and that potential scale of the project is also sizeable.

AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES OVERVIEW (cont'd)

During the past six months New Standard has undertaken a significant amount of technical analysis and review that has been primarily focused on the following:

- Further assessing the unconventional potential of the numerous shales and source rocks within the project area;
- Refining the potential target areas of interest for the unconventional resource plays within the large 1.4 million acre holding to a primary zone of interest covering 1,100km² zone;
- Refining the conventional targets and enhancing their prospectivity based on seismic reprocessing and further analysis of sand quality and hydrocarbon composition apparent from previous wells; and
- Ensuring potential drilling prospects are ranked on the basis they provide attractive targets for both unconventional and conventional tests.

The work completed to date has confirmed the presence of a working petroleum system in the Merlinleigh sub-basin which is supported by evidence from the Kennedy Range #1 well (KR #1) drilled as a basin centre test in 1967. KR #1 included a coring program and further analysis of the well completion data, logs and cores taken from this well confirms the presence of thick, organic rich shales with TOC ranges of between 2-4% over significant thicknesses of up to 300m.



Above: interpreted log from KR#1 well and a map showing unconventional fairway and conventional prospects

The technical review has also confirmed the potential scale of both the unconventional and conventional targets across the project area (refer to tables on page 7). Numerous of the conventional prospects are being targeted for potential drilling in H1, 2013 to provide a combination test of both the conventional and unconventional potential in order to help reduce exploration risk associated with pursuing one play in isolation.

Merlinleigh Basin	Low Case	Mid Case	High Case
Gas Mature Area (km ²)	550	1,100	1,650
Bcf Gas per km ²	20	30	50
Gas In Place (Tcf)	11	33	83

Table 1 above: Potential unconventional gas in place (GIP) volumetrics for Merlinleigh,

Prospect Name	Prospect Size (km ²)	Potential Gas In Place (GIP)
Condon #1	70	530 BCF
Crostella #1	80	470 BCF
Logan #1	20	130 BCF
Teichert #1	5	45 BCF
Total Potential		1.175 TCF

Table 2: Primary conventional targets and potential GIP volumetrics for Merlinleigh

Project Development Strategy

The Company's current strategy to progress the Merlinleigh Project is to:

- Complete ongoing technical assessments to enhance the database and understanding of the petroleum system and various hydrocarbon targets;
- Leverage the Company's current resources, including secured drilling slots, to develop an exploration program and lock in a near term, vertical well drilling program for H1, 2013;
- Assess the opportunity to secure suitable potential joint venture partners during H2, 2012 to consider farming out a portion of the project whilst maintaining a controlling equity stake, substantial leverage to exploration success and operatorship; and
- Move quickly to establish the presence of attractive hydrocarbon resources for potential production and supply to the domestic market.

Forward Work Program and Project Milestones

To execute the above strategy, the following commercial, technical and field work is planned:

- Conclude current negotiations with Traditional Owners with respect to land access and associated heritage matters;
- Convert the current applications (STP-EPA-0014 and STP-EPA-0015) to active exploration permits;
- Conduct technical studies and well planning activities during 2012 in preparation for drilling;
- Assess partnering alternatives and opportunities in H2, 2012 and if warranted, lock in associated agreements;
- Obtain all necessary land access and other required approvals in time for exploration drilling in 2013; and
- Ensure the Company is well placed to be able to drill multiple exploration wells on combined conventional/unconventional prospects during 2013.

AUSTRALIAN EXPLORATION PORTFOLIO & ACTIVITIES OVERVIEW (cont'd)

The Merlinleigh project continues to grow in stature and is emerging as a very exciting project with substantial potential upside for New Standard shareholders. The Company is focused on working hard to meet the forward program and milestones outlined above and in so doing, prepare for on-ground exploration activities to commence in H1, 2013.

UNITED STATES EXPLORATION PORTFOLIO & ACTIVITIES

United States Portfolio (New Standard average 32.5% WI, Colorado County Project)

New Standard continues to receive monthly income from its equity stake in the Colorado County project in onshore Texas and the project is more than self-sufficient in terms of covering associated holding costs. The Joann #1 well has been brought back online and has been producing an average of approximately 100 BOPD and 150mcf/day of gas in recent months in addition to the minor ongoing production from the Heintschel #1, Heintschel #2 and D. Truchard #1 wells.

New Standard elected not to participate in the horizontal well currently being drilled by the joint venture partners in the Heintschel field given the US assets no longer represent a core portfolio holding in light of New Standard's clear focus on the unconventional resource projects in the Australian portfolio.

The horizontal well currently being drilled by New Standard's joint venture partners is the first attempt to enhance the potential economics of the Heintschel field using horizontal drilling and a multi-stage fracture stimulation program. Drilling of this well is currently underway and the vertical section has been completed with electric wireline logs illustrating an encouraging hydrocarbon section in the primary target of the Wilcox sands. The horizontal section of the well is about to commence which will be followed by a multi-stage fracture stimulation program and associated flow back and testing. Based on public releases it is anticipated that this process will take up to another 6 weeks before more definitive results will be known.

A successful outcome from this horizontal well should help enhance the potential economics of the field and therefore the value of the project overall. New Standard will continue to assess its alternatives and potential ability to crystallise value during H2, 2012 as results from this current drilling and testing program become evident.

CORPORATE & FINANCE

Board and Senior Executive Appointments

New Standard has added additional unconventional gas and corporate finance expertise to the company's board during the quarter with the appointment of Chris Sadler and Phil Thick as Non-Executive Directors.

Chris has considerable experience in both the corporate finance and energy sectors, through his role on the Eastern Star Gas board prior to the takeover by Santos, and involvement in various mergers and acquisitions as a non-executive director at Gloucester Coal, Mitre 10 and Austock. Chris has almost 20 years of experience in investment banking, working for Deutsche Bank, JP Morgan, SG Warburg and Salomon Brothers.

Phil has extensive experience in the downstream oil sector and particularly in the areas of logistics, terminals and transport through his experience at Coogee Chemicals and Shell. Phil also brings a valuable understanding of the WA energy market as a result of his most recent role as Managing Director at Coogee Chemicals – a company that remains a significant end user of energy in the WA market.

Phil's 20 year career with Shell saw stints in London and in most cities around Australia, culminating in 8 years in Melbourne, where Phil was on the Board of Shell Australia Limited. He was also Chairman of Shell Fiji Limited and a Director of the Australian Institute of Petroleum.

As part of New Standard's board renewal and succession program that resulted in the appointment of Mr Sadler and Mr Thick, former New Standard chairman Ian Paton resigned from the board during the quarter.

Subsequent to the end of the quarter, New Standard added additional expertise to its senior management team with the appointment of Ken Aitken as General Manager Operations and Engineering. Ken will provide New Standard with more than 27 years' experience in onshore and offshore hydrocarbon exploration and production, both in Australia and overseas (including the successful drilling of 12 wells in the onshore Perth Basin), to ensure the Company conducts its exploration activities efficiently and safely.

In his new role Ken will have primary responsibility as Project Manager for the Goldwyer operations and in doing so will be working closely with technical director Dr Mark Hagan and Exploration Manager Brett Walker. Ken will also assume responsibility for the engineering and operations planning for the emerging Merlinleigh Project.

Finance

The cash balance at the end of the quarter was \$24.9m whilst the value of the liquid investment in Buru was \$47m. Cash receipts from operations during the quarter totalled \$2.54m - the majority of which comprised the recoupment of JV costs for the Goldwyer joint venture that were borne by New Standard as a result of timing differences between committed expenditure and receipt of cash calls via the joint venture. Interest income of \$340k was also received during the quarter whilst the majority of the exploration costs incurred related to New Standard's share of rig mobilisation for MBC Rig #14 and costs associated with the Merlinleigh Project.

During the quarter, New Standard's Executive Directors Sam Willis and Mark Hagan exercised 12,500,000 options to raise an additional \$3.125m for the Company. The options exercise was conducted alongside a sale of a portion of their shareholdings to fund the option conversion. The exercise of options and subsequent share sales resulted in both Sam and Mark increasing their equity holdings in the Company which reflects their ongoing commitment to the potential of the Company.

The expected outflows for the coming quarter in the attached Appendix 5B reflect the net amounts that New Standard anticipates expending on its asset portfolio over the quarter after taking into account the carried positions that ConocoPhillips will be providing. Administrative costs have increased in the past couple of quarters as the Company continues to grow and establish a strong operating and execution capacity across multiple projects.

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

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

NEW STANDARD ENERGY LIMITED

ABN

20 119 323 385

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and joint venture related debtors	2,543	3,541
1.2	Payments for (a) exploration & evaluation	(1,304)	(7,761)
	(b) development	-	(411)
	(c) production	-	-
	(d) administration	(1,560)	(4,164)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	341	742
1.5	Interest and other costs of finance paid	(1)	(9)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		19	(8,060)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(1,710)	(2,251)
	(c) other fixed assets	(58)	(108)
1.9	Proceeds from sale of:		
	(a) prospects	-	1450
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(1,768)	(909)
1.13	Total operating and investing cash flows (carried forward)	(1,749)	(8,969)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,749)	(8,969)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,194	30,667
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(3)	(13)
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	(1,341)
	Net financing cash flows	3,191	29,313
	Net increase (decrease) in cash held	1,443	20,341
1.20	Cash at beginning of quarter/year to date	23,455	4,553
1.21	Exchange rate adjustments to item 1.20	9	13
1.22	Cash at end of quarter	24,907	24,907

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	246
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The amounts at 1.1 include personnel and other charges to the Goldwyer Joint Venture.
The amount at 1.8(b) pertains to the balance of an investment made to acquire approximately 13.7% equity stake in Elixir Petroleum Ltd (ASX: EXR).
The amounts at 1.14 include the exercise of directors' options with 30 June 2012 expiry date.
The amounts at 1.23 include payments to directors pursuant to employment and consulting agreements as well as non executive director fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	850
4.2 Development	50
4.3 Production	-
4.4 Administration (net of recharges to joint ventures)	1,200
Total	2,100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	678	751
5.2 Deposits at call	24,229	22,704
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	24,907	23,455

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	-	-	-
6.2 Interests in mining tenements acquired or increased	N/A	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	N/A			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	305,022,751	305,022,751		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	12,750,000 -	12,750,000 -		
7.5	+Convertible debt securities (description)	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	Options <i>(description and conversion factor)</i>	500,000	-	Exercise price Options at 22.5c	Expiry date 30 June 2013
		500,000	-	Options at 27.5c	30 June 2013
		6,250,000	-	Options at 38.5c	20 December 2014
		3,750,000	-	Options at 43.0c	20 December 2014
		300,000	-	Options at 81.0c	24 April 2015
		300,000	-	Options at 90.5c	24 April 2015
		300,000	-	Options at 53.5c	09 May 2015
		300,000	-	Options at 60.0c	09 May 2015
7.8	Issued during quarter	300,000	-	Options at 81.0c	24 April 2015
		300,000	-	Options at 90.5c	24 April 2015
		300,000	-	Options at 53.5c	09 May 2015
		300,000	-	Options at 60.0c	09 May 2015
7.9	Exercised during quarter	6,250,000	6,250,000	Options at 22.5c	30 June 2012
		6,500,000	6,500,000	Options at 27.5c	30 June 2012
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	N/A			
7.12	Unsecured notes <i>(totals only)</i>	N/A			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

David Hansen-Knarhoi
Joint Company Secretary
22 July 2012

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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