ASX Release
Wednesday, 16 November 2011

Significant New Gold Mineralisation Intersected in Maiden Drill Program

Highlights:

- **Shallow drilling at Costean 12 intersects numerous broad zones of anomalous gold mineralisation**
- **Strike length 240m+, open along and across strike, and down dip**
- **Encouraging results from previously undrilled area to south including**
  - **19m @ 1.3g/t Au in HFRC019**
  - **9m @ 1.2 g/t Au in HFRC 018**
  - **3m @ 7.1g/t Au in HFRC017**
- **Diamond drilling to commence at the Hill 680 Prospect within the next week**

Naracoota Resources Limited ("Naracoota" or "the Company") (ASX:NRR) is pleased to advise that it has received the results from its recent 2,180 metre maiden RC drill program testing areas of interest within the confines of pre-existing PoW's at Costean 12 and the Swan area.

Costean 12

Costean 12 is a historic gold prospect which had limited shallow RAB drilling conducted over it in the early 1990's returning results such as 4m @ 18.9 g/t au and 2m @ 20g/t Au. Recent geophysics indicates that the prospect also sits above a significant IP geophysical anomaly, C12 Deeps, which is yet to be drill tested by the Company (refer ASX announcement dated 6 October 2011). Naracoota initially planned 7 shallow RC drill holes to a vertical depth of 50 metres at Costean 12 to drill test historic RAB drill results. During drilling the Company was encouraged from field logging to expand the program to a total of 17 shallow holes.

Managing Director, Steve Crabbe said, *"This first pass drill program confirms the historic gold mineralisation at Costean 12, and importantly has extended it with significant new zones of gold mineralisation identified to the south. Given these results are from shallow drilling combined with the recent geophysics, it is a high priority to conduct follow up deeper drilling over the area to test for the source of this mineralisation.*

Results

Significant results from the 23 hole maiden drill program include: -

Hole Id	Prospect	From (m)	To (m)	Interval (m)	Grade g/t Au
HFRC001	Costean 12	18	23	5	1.1
HFRC006	Costean 12	47	51	4	1.3
HFRC007	Costean 12	36	45	9	0.7
HFRC017	Costean 12	56	59	3	7.1
HFRC018	Costean 12	45	61	16	0.9
HFRC019	Costean 12	41	60	19	1.3
	Incl	42	44	2	3.5
	and Incl	57	59	2	2.7
HFRC022	Costean 12	7	9	2	3.2
HFRC012	Swan East	4	8	4	0.8
HFRC013	Swan East	56	60	4	1.7

(NB complete results and drilling information listed in Appendix 1)

The most encouraging results came from the southern extent of Costean 12 which had never been drill tested before. Naracoota's drilling has extended the strike length of the gold mineralisation at Costean 12 to 240 metres where it remains open along and across strike, and down dip (see Figure 1 below).

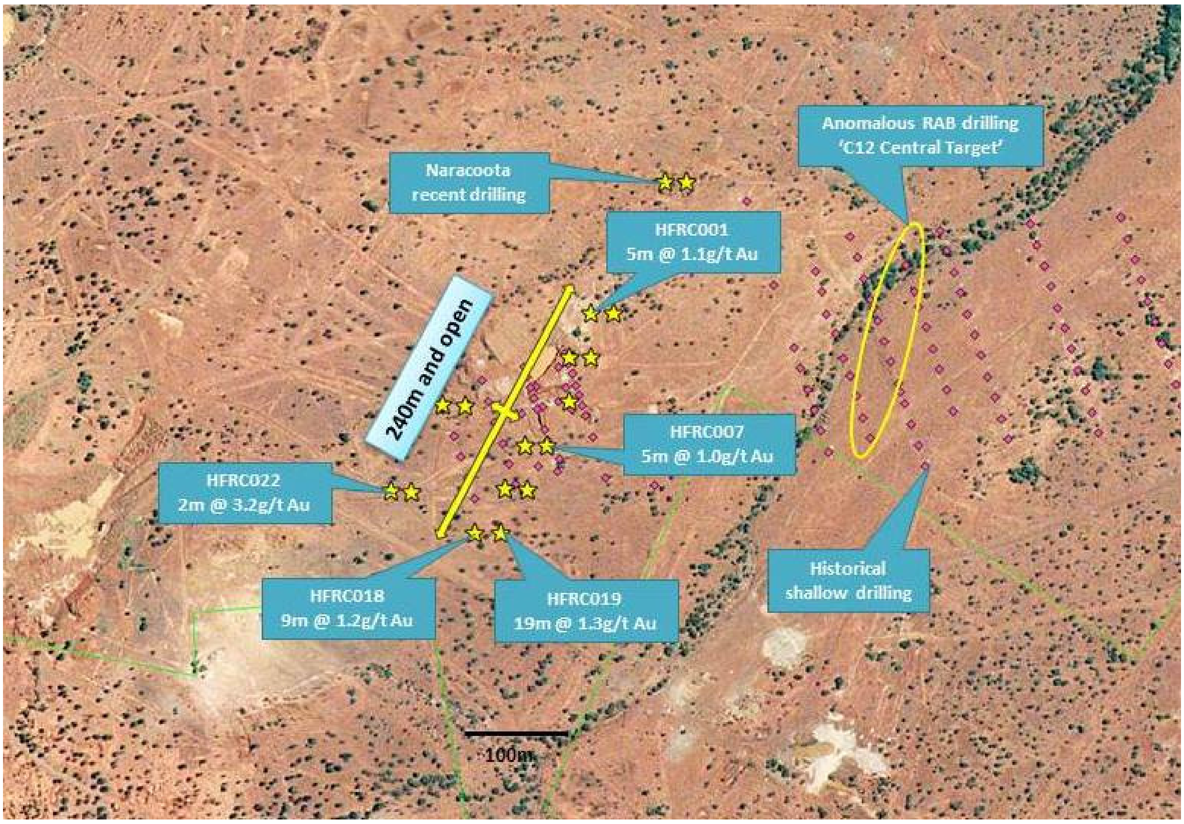

Figure 1: Drill location map at Costean 12 (yellow – recent RC drilling, red – historic RAB drilling)

The profile of the regolith encountered during the drilling at Costean 12 was deeply weathered and suggests that the mineralisation intersected is depleted at the shallow depths tested. In order to test the mineralisation in fresh rock, the Company will conduct a program of deeper drilling, which is in an advanced stage of planning.

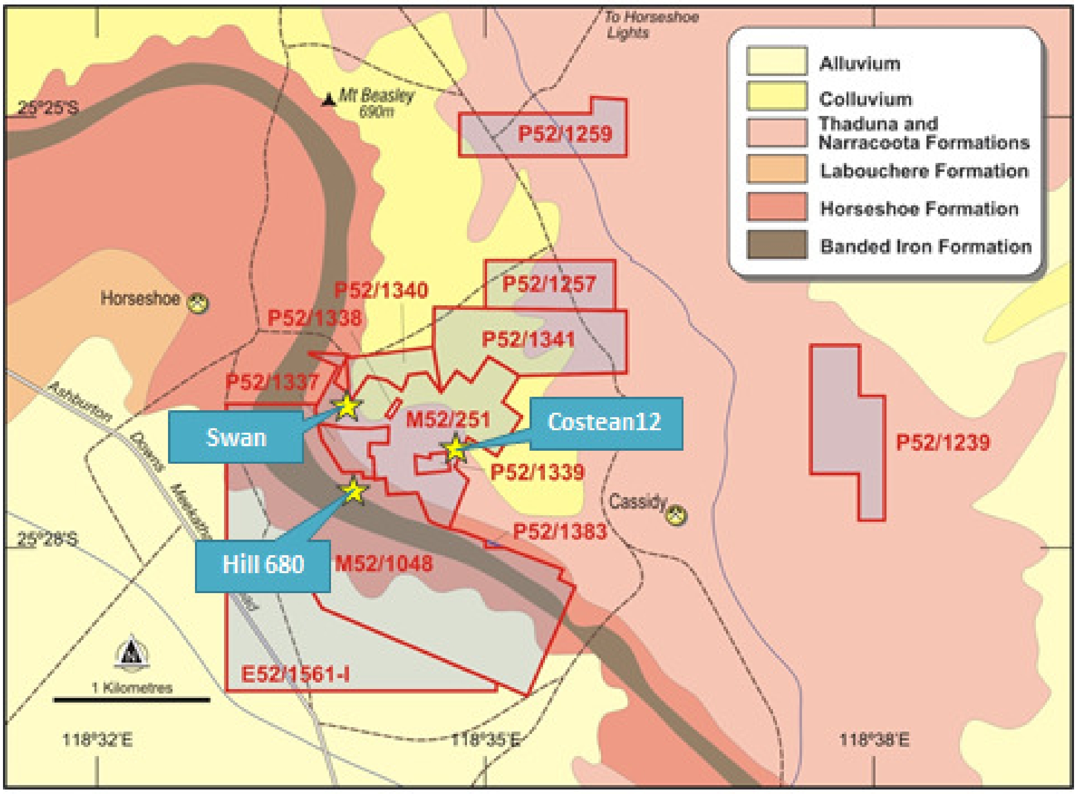

Figure 2: Prospect location map

Swan

Six (6) RC holes with a depth range of 82 to 300 metres were also drilled at Swan and Swan East to conduct initial tests of anomalies in these areas. While minor zones of anomalous gold were encountered at the Swan East geochemical anomaly, the chargeability anomaly at Swan has not been sufficiently explained and interpretation is on-going in this area. Gold results from Swan East include 4m @ 1.73g/t Au, and numerous additional intercepts above 100ppb Au.

Drilling to commence at Hill 680

The Company is pleased to advise that it has regulatory approval and a rig booked to commence an initial planned program of 1,100 metres of diamond drilling at the Hill 680 Prospect on the Horseshoe Range. This program will look to confirm and expand on known mineralisation which has been intersected along a 1.6km strike length. The host lithology extends for more than 4.5kms, with much of this area never having been drill tested. Limited historic drilling focussed on only 200m of strike and returned significant gold intersections including 11m @18.11g/t Au and 4m @ 11.52g/t Au.

For further information, see www.naracoota.com.au or contact:

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Competent Persons Statement

Information in this release relating to exploration results is based on information compiled by Naracoota Resources' Exploration Manager, Mr Chris Shaw, who is a member of the Australian Institute of Geoscientists. Mr Shaw has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Shaw consents to the inclusion of such information in this release and the context in which it appears.

About Naracoota Resources Ltd (ASX: NRR)

Naracoota Resources Ltd is an exploration company which listed on the ASX in June 2011 in a strongly supported IPO. The Company has a highly experienced team which has assembled for the first time a tenement package in excess of 2,500 Ha in the premier copper and gold region of Peak Hill – Horseshoe Lights – Fortnum, near Meekatharra in WA. Naracoota will continue to assess opportunities to expand its mineral assets in this sought after region.

The tenement package includes Naracoota's two flagship projects at Horseshoe Range and Fraser Range. Historic exploration indicates excellent prospectivity and walk up drill targets for copper and gold in the area. Importantly, no modern exploration has been performed since the early 1990s, and no deep drilling or land based geophysics has ever been conducted over either project. Naracoota will target significant near surface gold deposits and deeper VMS copper and gold deposits which are typical of the region. The prospectivity of the area is evidenced by the Horseshoe Lights VMS discovery which is 7kms to the North of Naracoota's tenements and the DeGrussa VMS discovery which is located 65 kms to the East.

Appendix 1: Drill location and assay results

Hole No	Easting	Northing	Final Depth	Dip	Azimuth	From (m)	To (m)	Interval (m)	Grade g/t Au
Costean 12									
HFRC001	658,840	7,183,920	60	-60	270	4	6	2	0.8
					and	10	11	1	0.6
					and	**18**	**23**	**5**	**1.1**
					Incl	**19**	**20**	**1**	**3.05**
					and	26	27	1	0.8
HFRC002	658,860	7,183,920	71	-60	270	17	18	1	0.6
					and	28	29	1	0.6
					and	32	33	1	0.8
					and	38	40	2	0.5
					and	48	51	3	0.5
					and	70	71	1	0.8
HFRC003	658,820	7,183,880	60	-60	270	3	5	2	0.3
					and	25	27	2	0.6
					and	30	31	1	0.4
					and	41	42	1	0.7
					and	45	46	1	0.4
HFRC004	658,840	7,183,880	60	-60	270	2	3	1	0.4
					and	11	12	1	0.5
					and	26	27	1	0.3
					and	29	30	1	0.7
					and	37	38	1	0.5
					and	46	48	2	1.0
					and	50	52	2	1.3
HFRC005	658,820	7,183,840	60	-60	270	2	4	2	0.3
					and	13	16	3	0.4
					and	28	30	2	0.7
					and	**32**	**34**	**2**	**1.4**
					incl	**33**	**34**	**1**	**2.5**
					and	43	44	1	0.5
					and	47	48	1	0.6
					and	59	60	1	0.6
HFRC006	658,780	7,183,800	62	-60	270	1	2	1	0.6
					and	8	9	1	0.3
					and	11	12	1	0.5
					and	15	19	4	0.5
					and	31	33	2	0.4
					and	37	39	2	0.9
					and	**47**	**51**	**4**	**1.3**
					incl	**49**	**50**	**1**	**2.5**
					and	53	54	1	1.4

					and	**59**	**61**	**2**	**2.1**
					incl	**59**	**60**	**1**	**3.8**
HFRC007	658,800	7,183,800	60	-60	270	3	4	1	0.4
					and	29	30	1	0.3
					and	**36**	**45**	**9**	**0.7**
					and	**54**	**59**	**5**	**1.0**
HFRC014	658,907	7,184,040	60	-60	270	NSR			
HFRC015	658,927	7,184,040	60	-60	270	57	58	1	0.5
HFRC016	658,761	7,183,760	60	-60	270	36	38	2	1.0
HFRC017	658,782	7,183,759	60	-60	270	24	28	4	0.6
					and	**56**	**59**	**3**	**7.1**
HFRC018	658,734	7,183,720	65	-60	270	31	32	1	0.3
					and	**45**	**61**	**16**	**0.9**
					Incl	**48**	**57**	**9**	**1.2**
HFRC019	658,757	7,183,720	65	-60	270	11	12	1	0.8
					and	28	30	2	0.4
					and	33	37	4	1.4
					and	**41**	**60**	**19**	**1.3**
					Incl	**42**	**44**	**2**	**3.5**
					and Incl	**57**	**59**	**2**	**2.7**
HFRC020	658,704	7,183,837	60	-60	270				
HFRC021	658,725	7,183,836	60	-60	270				
HFRC022	658,657	7,183,758	60	-60	270	**7**	**9**	**2**	**3.2**
					and	17	18	1	1.0
					and	40	42	2	0.5
					and	48	49	1	0.5
					and	55	57	2	1.3
HFRC023	658,676	7,183,757	60	-60	270				
Swan									
HFRC008	657,311	7,184,011	300	-60	310	NSR			
HFRC009	657,336	7,184,350	300	-90	0	NSR			
Swan East									
HFRC010	657,714	7,184,163	149	-60	130	NSR			
HFRC011	657,672	7,184,191	82	-60	130	NSR			
HFRC012	657,657	7,183,999	150	-60	130	4	8	4	0.8
					and	92	96	4	0.3
HFRC013	657,609	7,184,030	155	-60	130	**56**	**60**	**4**	**1.7**
					and	128	136	8	0.3
					and	148	152	4	0.5

Notes — Results are utilising a 0.3 g/t cut-off & Assay method is fire assay with 25 gram charge

All co-ordinates are in MGA 94 Zone 50