

25 January 2012

ASX: NAE

ASX ANNOUNCEMENT**Cesar Thermal Coal Projects Update - La Miel Drilling Preparations Advance**

New Age Exploration Limited ("NAE" or "the Company") is pleased to announce the completion of seismic interpretation work at its Cesar Basin export thermal coal projects and the commencement of a tender program for a phased drilling program at the La Miel project.

Highlights

- **Seismic interpretation study has been completed for all Cesar Basin export thermal coal projects**
- **Interpretation indicates that depth to top of target coal formation at La Miel (concession GJP-151) is between 400m and 800m**
- **NAE has designed a phased drilling program at La Miel based upon this interpretation:**
 - **Phase 1 - To confirm existence, thickness and quality of coal seams, with 3 open holed boreholes at La Miel**
 - **Phase 2 - Subject to success of Phase 1, 4 cored and open hole boreholes with the aim of defining a JORC Inferred Resource at La Miel**
- **Expressions of Interest for the La Miel drilling program were recently issued to shortlisted drilling contractors, with Phase 1 anticipated to commence in Q2 2012**
- **NAE to advance the La Miel exploration program in parallel with its Terranova Stage 1 and Stage 2 Coking Coal Project**

NAE Managing Director Gary Fietz commented *"With the strong global demand outlook for thermal coal and with depleting open cut resources, the Company's Cesar concessions offer an excellent medium term development opportunity".*

"NAE is in an exciting phase where not only are we moving Stage 1 of our Terranova Coking Coal Project through a bankable Feasibility Study with production expected to commence early in 2013, but at the same time we are further advancing our thermal coal projects in Cesar. Our initial priority of this phased drilling program is to prove the existence of coal seams, with the aim to then progress to the definition of a JORC Inferred Resource at La Miel which has shallower target depths, within the range of Australian underground coal mines".

Seismic Interpretation and Drilling Target Details

A detailed assessment of available seismic information over and nearby the Company's export thermal coal concessions in the Cesar Basin was conducted by UK based FWS Consultants Limited and Scientifically Write Limited.

Five seismic lines crossing and adjacent to the La Miel concession were utilised in the La Miel seismic interpretation and a further five seismic lines were utilised for the Cesar seismic interpretation. Available borehole data from adjacent areas was also used to tie in known coal seam intersections with seismic lines that cross NAE's concessions. Data limitations mean that the seismic interpretations and target depths to coal seams are indicative and drilling is therefore required to confirm the presence and depth of coal seams.

Economic coal seams in the Cesar basin are known to occur within the Middle Member of the Los Cuervos Formation ("MMLCF") which typically contains a total seam thickness of up to 35m export quality thermal coal, with individual seams ranging from 2m to 6m in thickness.

(a) La Miel Project (Concession GJP-151)

Target depths to top coal seams (top of the MMLCF) for the La Miel Project are shown in Table 1 and Figure 1 below.

Table 1: La Miel Target Depths and Conceptual Exploration Target

Concession	Target Depth to Top Coal Seams	Conceptual Exploration Target
La Miel (GJP-151)	400m - 800m ⁽¹⁾	50 -200 Mt ⁽²⁾

Based upon the seismic interpretation, a drilling program has been designed with the initial priority of Phase 1 to open hole drill the La Miel target with the objective of confirming the existence of workable coal seams. Subject to the results of Phase 1, Phase 2 will include the expansion of the drilling program in addition to the analysis of cored samples, with the intention of defining a JORC Inferred Resource at La Miel.

Expressions of Interest were recently issued to shortlisted drilling contractors for the following phased drilling program, anticipated to commence at La Miel in Q2 2012.

Table 2: La Miel Phased Drilling Program

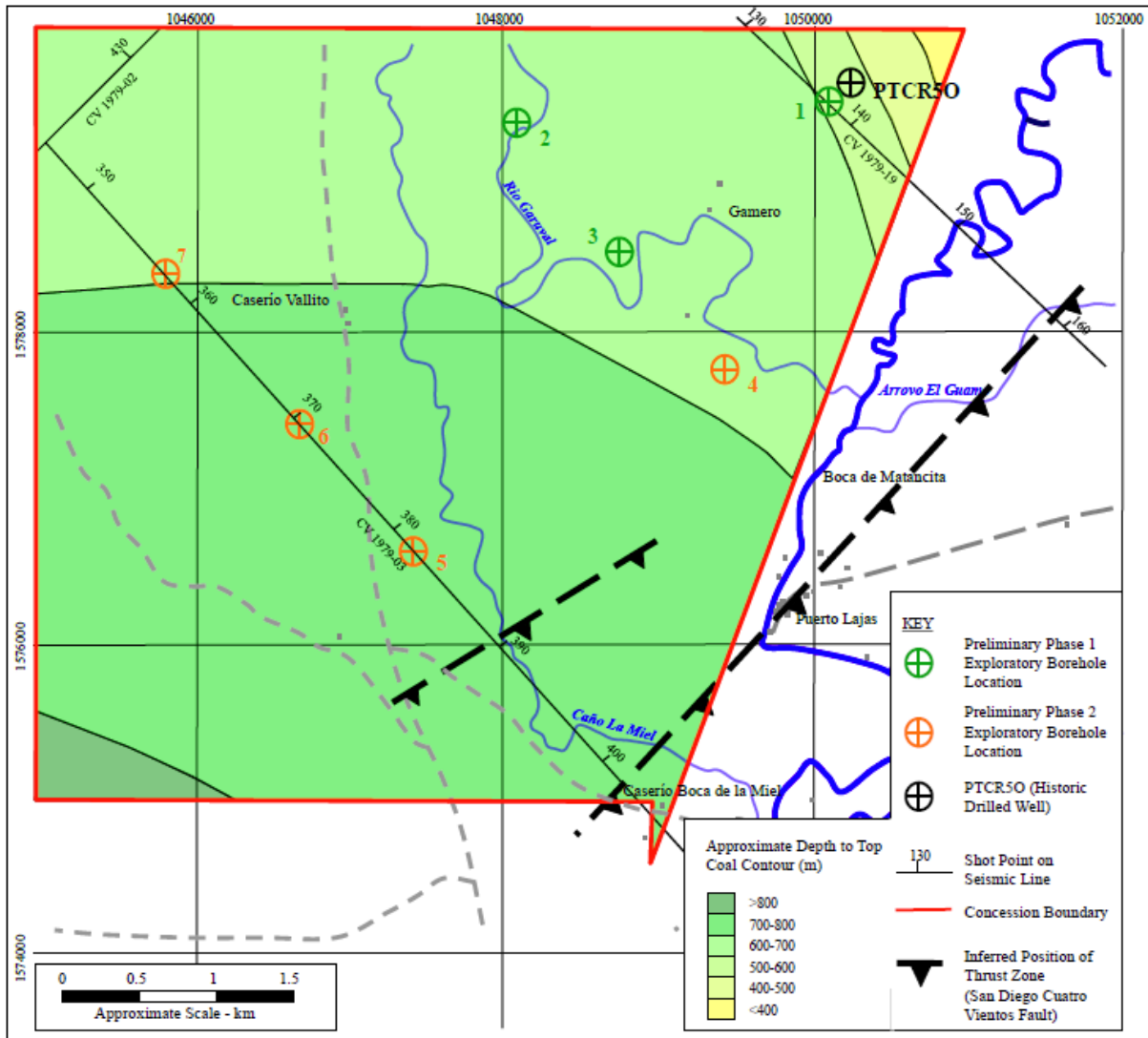
Phase	Number of Boreholes	Objective
1	3 open hole + wireline logging	To confirm presence of workable coal seams
2	4 cored and open holes + wireline logging	Based on results of Phase 1 - To define a JORC Inferred resource over the majority of the concession and to provide core samples for quality testing

The locations of the planned borehole locations for Phases 1 and 2 of the La Miel drilling program are shown in Figure 1.

(1) Based on best case interpretation of legacy data consisting of seismic lines and an offsite borehole.

(2) FWS conceptual exploration target issued 3rd June 2011.

Figure 1: La Miel Phased Drilling Plan Borehole Locations and Depth Contours to Top Coal



(b) Cesar Project (Concessions GHN-121 and GIK-103)

Target depths to top coal seams (top of the MMLCF) for the Cesar Project (Conceptual Exploration Target of 200-800Mt⁽³⁾) have also been interpreted from seismic data. This interpretation has indicated depths to top coal seams of 850m to 1,200m⁽⁴⁾ for the Cesar Project. While the target depths at the Cesar Project are within the range of depths internationally mined using existing underground mining practices, due to the depths being greater than the La Miel Project, further work on the Cesar Project is under review by the Company.

(3) FWS conceptual exploration targets issued 7th June 2011.

(4) Based on best case interpretation of legacy data consisting of seismic lines and offsite boreholes.

Competent Person Statement:

Information in this document that relates to Exploration Results is based on information compiled by Dr Frederick Smith, who is a Fellow of the Institute of Materials, Minerals and Mining. Dr Smith is a Director and Shareholder of Aurora Energy S.A and the Managing Director and Principal Consultant of FWS Consultants Ltd. Dr Smith 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 as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Smith consents to the inclusion in the documents of the matters based on his information in the form and context in which it appears.

The potential quantity and grade of the exploration target is conceptual in nature as there has been insufficient exploration conducted to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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