

18th April 2012

ASX: NAE

ASX ANNOUNCEMENT**Commencement of La Miel Phase 1 Drilling Program**

New Age Exploration Limited ("NAE" or "the Company") is pleased to announce it has commenced its Phase 1 Drilling Program at the La Miel thermal coal project located in the Cesar Basin, northern Colombia.

Highlights

- **Drilling contract recently signed with local Colombian drilling contractor LT Geoperforaciones Y Minería Ltda ("LTG") for 3 open hole boreholes along with wireline geophysical logging.**
 - **Drilling rig and support equipment being mobilised to La Miel.**
 - **Estimated schedule for drilling completion is:**

1st borehole (LM2)	Mid June 2012*
2nd borehole (LM3)	End July 2012*
3rd borehole (LM1)	Early September 2012*
- (* Excluding allowance for weather and/or other delays)*
- **Based on seismic interpretation, the La Miel Project has a Conceptual Exploration Target of 50 - 200Mt⁽¹⁾ with depth to top of target coal formation ranging from 400m to 800m from surface.**
 - **The objective of the La Miel Phase 1 drilling program is to confirm existence and thickness of coal seams.**
 - **Phase 1 drilling costs under the LTG contract are in line with the Company's budget expectations and will be fully funded from NAE's existing available cash.**

NAE Managing Director Gary Fietz commented *"We are very excited to be commencing drilling at La Miel which marks an important step towards defining a JORC inferred resource and adding value to the project."*

(1) FWS conceptual exploration targets issued 3rd June 2011.

LTG Drilling Contract

On 16th April 2012, NAE signed a contract with local Colombian drilling contractor LTG, for the Phase 1 Drilling of the La Miel Project, consisting of a program of three open hole boreholes, each up to 850m deep.

The LTG contract is a 'turnkey' contract including; drilling, site preparation, geological logging, wireline geophysical logging, and site reinstatement. LTG won a competitive tender process involving 12 Colombian drilling companies being invited to tender with bids received from 4 drilling companies. Under the contract with LTG, costs for Phase 1 drilling are in line with the Company's initial budget expectations and can be fully funded by the NAE's existing available cash.

The program will be managed by NAE-Aurora's internal geologists supported by FWS Consultants Principal Coal Geologist.

Phase 1 Drilling Program - Schedule

The HCR8 drilling rig and support equipment is currently on route to the site of the first borehole.

The estimated schedule for drilling completion is:

Borehole	Estimated Completion Date	Borehole Number
1st borehole	Mid June 2012*	LM2
2nd borehole	End July 2012*	LM3
3rd borehole	Early September 2012*	LM1

(* Estimated date of drilling completion without allowance for weather and/or other delays)

Phase 1 Drilling Program - Objectives

Based on seismic interpretation the La Miel Project has a Conceptual Exploration Target of 50 - 200Mt⁽¹⁾ with depth to top of target coal formation ranging from 400m to 800m.

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. Based on reported coal quality data from mines in the area, the MMLCF coals are expected to be of high volatile bituminous thermal coal quality, for which reported weighted averages ⁽¹⁾ are for Calorific Value 11450 Btu/lb, Ash content 5.2%, Sulphur content 0.7% and Volatile Matter 39%.

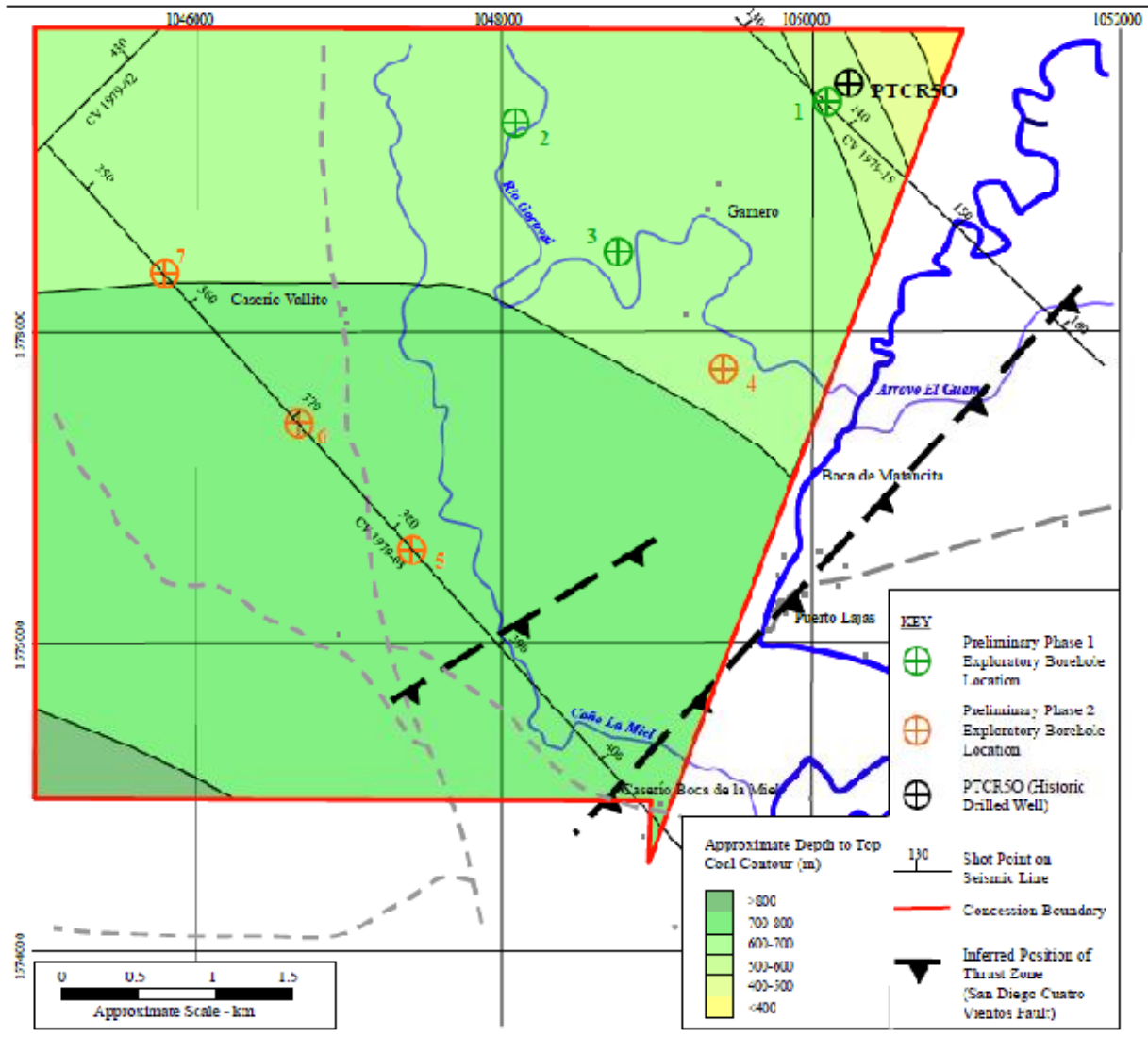
The objective of the La Miel Phase 1 drilling program is to confirm existence and thickness of coal seams.

Subject to the results of Phase 1 drilling, NAE anticipates Phase 2 to include the expansion of the drilling program with a further 4 cored and open hole boreholes to provide samples for coal quality analysis, with the intention of defining a JORC Inferred Resource at La Miel.

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

(1) FWS conceptual exploration targets issued 3rd June 2011.

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



The location of the first borehole to be drilled is shown in Figure 2.

Figure 2: Proposed location for the first borehole to be drilled (LM2)



ENDS

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