

30 AUGUST 2012

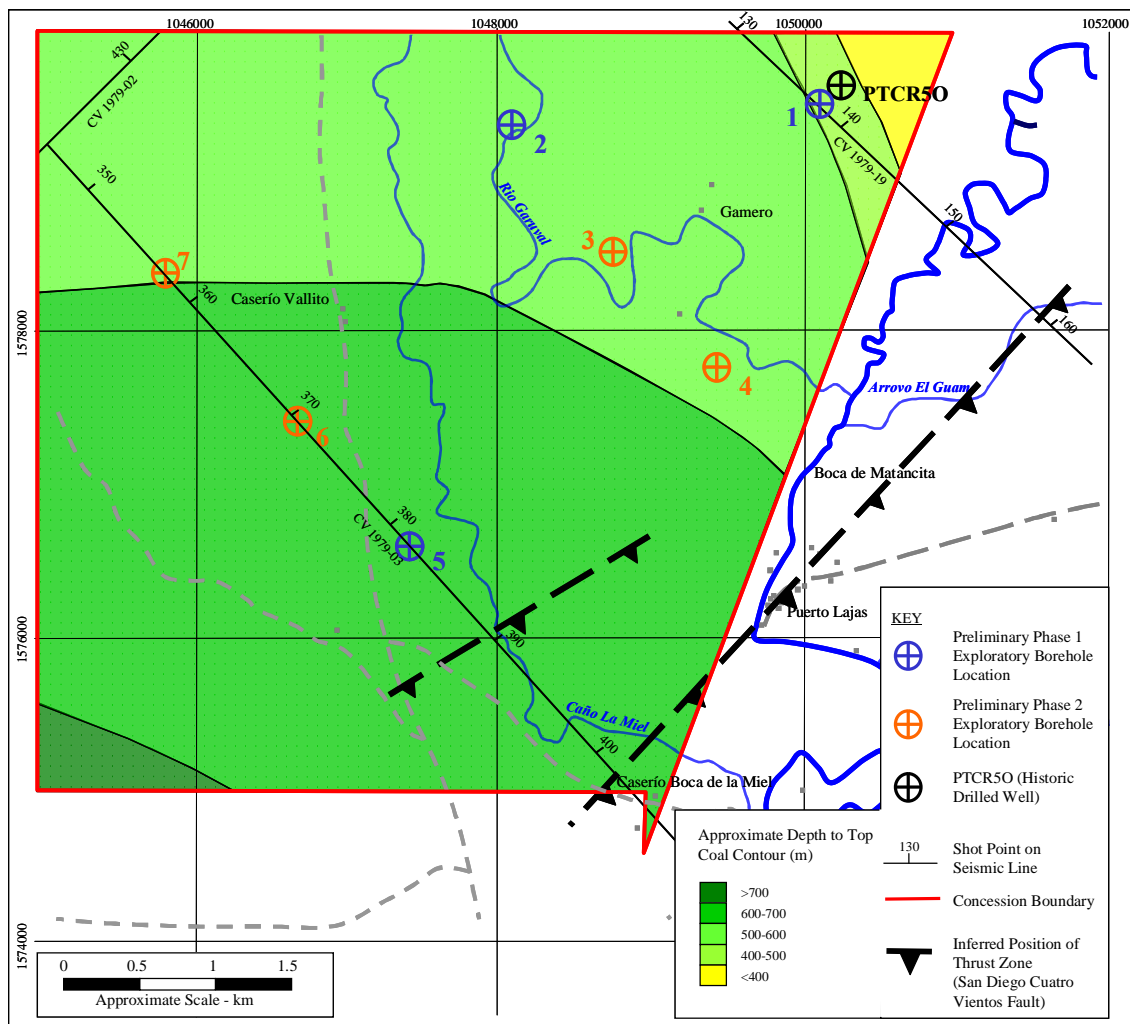
ASX: NAE

**ASX ANNOUNCEMENT**

**LA MIEL, CESAR COALFIELD  
PHASE 1 EXPLORATION - DRILLING PROGRAM UPDATE**

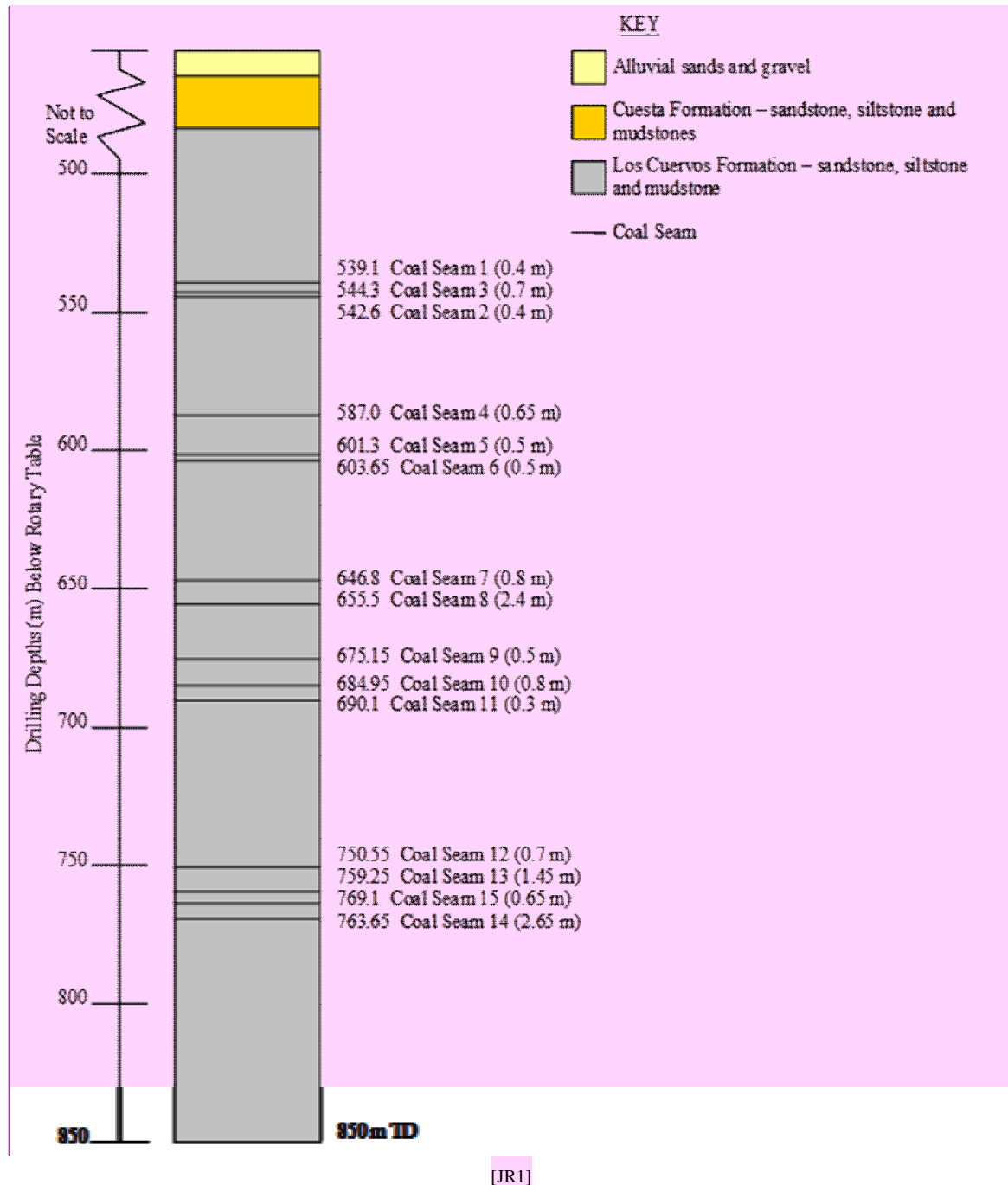
New Age Exploration Limited (“NAE” or “the Company”) is pleased to announce that it has successfully completed the first borehole (Borehole 2) of the Phase 1 Exploration Drilling Program, at the Company’s La Miel Project in the Cesar District of Colombia. Initial results from Borehole 2 indicate positive coal intersections and as such, the Company is currently proceeding with the next borehole (Borehole 5) in Phase 1.

Borehole 2 was drilled northeast of El Vallito (Figure 1), to a depth of 850 m by rotary openhole techniques between 9 June to 19 July 2012, with wireline logging undertaken by Weatherfords on 19 and 20 July 2012.



**Figure 1 Location Plan of Completed (BH2) and Proposed Exploration Boreholes**

The stratigraphical sequence intersected in Borehole 2 has proven, as shown in Figure 2, a coal packet of fifteen shallow dipping seams of cumulative thickness 11.90 m, within the Los Cuervos Formation at depths of between 530 m and 770 m.



**Figure 2 Schematic Geological Log of Coal Seams Determined in Borehole 2 (BH2)<sup>1</sup>**

<sup>1</sup> Notes

1. Depths to the top of the coal seams are presented as drilling depths (m) below Rotary Table.
2. Drilling depths (m) are as drilled depths and have not been corrected for borehole verticality.

A preliminary assessment of coal quality has been undertaken for the seams with a mineable thickness of greater than 1.0m, to determine their potential suitability for exploitation of thermal coal by underground mining. An initial indication of the coal quality has been derived by comparison of the wireline determined coal densities in respect to both published empirical density/ash content correlations for bituminous high volatile coals, and data reported for Los Cuervos coals from La Franca Open Pit mine within the Cesar Coalfield.

From that assessment, “Bituminous Coals” have been determined in Borehole 2 as coals within a density range of between 1.3 g/cc to 1.5 g/cc, for which an ash content of between 2 to 15% would be expected; and “Inferior Coals” have been determined in Borehole 2 as coals within a density range of between 1.5 g/cc to 1.8 g/cc, for which an ash content of between 15 to 30% would be expected.

The table below summarises the three principal potentially mineable coals identified within Borehole 2, together with an indication of their expected coal quality. Site specific testing will however be necessary to confirm this density / ash content relationship:-

Seam No.	As Drilled Depths mbRT	Apparent Total Seam Thickness (as drilled in metres)	Detailed Seam Description (as drilled depth and thickness in metres)
8	655.50 - 657.90	2.4	655.50 - 656.40 (0.90 m thick) INFERIOR COAL 656.40 - 656.65 (0.25 m thick) SHALE parting 656.65 - 656.95 (0.30 m thick) INFERIOR COAL 656.95 - 657.55 (0.60 m thick) BITUMINOUS COAL 657.55 - 657.90 (0.35 m thick) INFERIOR COAL
13	759.25 - 760.70	1.45	759.25 - 760.05 (0.80 m thick) INFERIOR COAL 760.05 - 760.20 (0.15 m thick) SHALE parting 760.20 - 760.70 (0.50 m thick) BITUMINOUS COAL
14	763.65 - 766.30	2.65	763.65 - 764.45 (0.80 m thick) BITUMINOUS COAL 764.45 - 765.20 (0.75 m thick) SHALE parting 765.20 - 766.30 (1.10 m thick) BITUMINOUS COAL

Managing Direct Gary Fietz stated, “We are encouraged by the initial results of Phase 1 drilling at La Miel. Given the project’s location in the Cesar Basin, which is host to some of the world’s largest thermal coal deposits, these early stage results provide an initial indication of the potential that our projects in this jurisdiction hold.”

NAE are continuing with the La Miel drilling program, having commenced drilling Borehole 5 (see Figure 1) on 8 August 2012<sup>[JR2]</sup>. Further results will be released to the market as they become available.

3. As drilled apparent coal seam thicknesses are reported (in brackets), as determined by interpretation from the wireline log.

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**Competent Persons 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.*