newera uranium LIMITED

10 July 2006

Mr Vickrem Naicker
Australian Stock Exchange
Level 3 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Mr Naicker

NEWERA URANIUM LIMITED – PRICE QUERY

I refer to your letter dated 10 July 2006 in regard to the change in the price of the Company's securities from 3 July 2006 to today and the increase in the volume of securities traded in that same period.

The Company responds as follows:

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for the recent trading in securities of the Company?

Other than as set out in the response to point 3 below, the Company is not aware of any information concerning it that has not been announced which, if known, could be reasonably considered to be an explanation of recent trading in securities of the Company.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Not Applicable

3. Is there any other explanation that the company may have for the price change and increase in volume in the securities of the Company?

The Company is cognisant that the junior uranium exploration sector has over recent days become an increasing focus of, what the directors consider to be, exuberant speculative investor sentiment.

The Company also recently announced its intention to make a rights issue of options to shareholders with each shareholder being offered one option (with an exercise price of $0.25 and expiring on 30 April 2008) for every two shares held at the record date. The options will be issued for $0.01 per option.

Additionally, Newera is a company that is continually seeking opportunities to enhance its asset portfolio. As part of this process the Company will from time to time consider asset acquisitions to promote core value accretion. This is a continuous process and the Company will advise the market in the event an acquisition of an asset, or disposal of asset, is reasonably certain to occur.

In this regard, the Company is in the process of concluding negotiations with Cazaly Iron Pty Ltd with regard to the acquisition of an exploration tenement in the Northern Territory. An announcement on the terms of the acquisition and asset details is anticipated prior to the opening of trade on Tuesday 11 July and will be made once the acquisition has been finalised. This acquisition is of an asset that is at an early stage in the exploration and evaluation process, and will be incorporated into Newera's joint venture area.

4. Please confirm that the Company is in compliance with the listing rules and in particular, listing rule 3.1

The Company is in compliance with the Listing Rules of ASX including Listing Rule 3.1.

Yours sincerely

MARTIN BLAKEMAN
MANAGING DIRECTOR
NEWERA URANIUM LIMITED

ASX
AUSTRALIAN STOCK EXCHANGE

FAXED
10 July 2006

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Winton Willesee
Company Secretary
Newera Uranium Limited
Unit 4, 26 Clive Street
WEST PERTH
WA 6005

By Facsimile: (08) 9 322 8744

Dear Winton

Newera Uranium Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from $0.23 on 3 July 2006 to $0.47 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on facsimile **number** (08) 9221 2020. It should <u>not</u> be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **<u>5.00pm WST</u>**, today.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Vickrem Naicker
Adviser, Issuers
Direct Line: (08) 9224 0032