

New Age Exploration lands old tenement amid coal revival in UK

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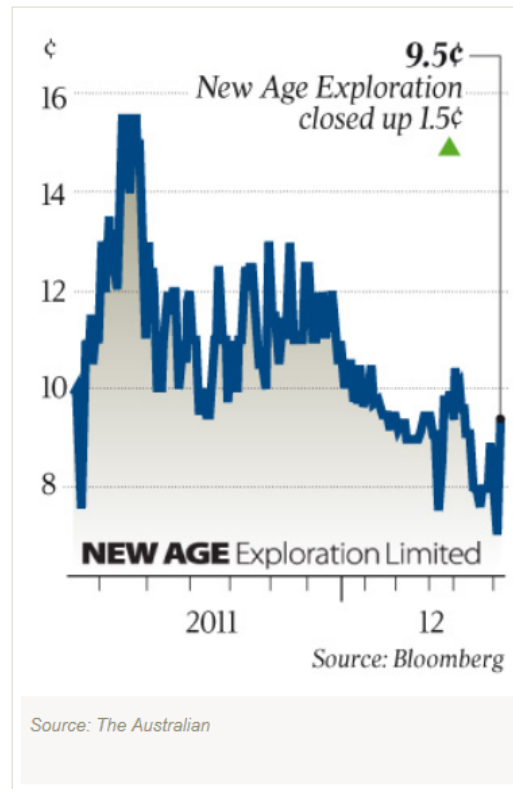
New Age Exploration (NAE) 9.5c: THE British coal industry evokes images of those dark times in the mid-1980s when the Thatcher government closed 20 mines, sparking the prolonged miners' strike that still rankles up north today.

But the bitter spat didn't quite kill the sector, which is enjoying a mini revival as privatised operators tap still-bountiful seams.

The hitherto Colombian-focused New Age has picked up a coking coal tenement on the Scottish and English border that was first discovered in the 1950s by the National Coal Board.

The shallow field is well known, but in effect was lost in the system after the NCB was privatised. "It's amazing it's been left to sit there for so long," says New Age chief Gary Fietz.

Fietz says New Age only stumbled on the asset because a canny Scottish employee knew about it. Niftily avoiding a public auction, New Age was granted the 67sq km lease for only the 12,500-quid application fee, plus a promise to spend money to prove up the "conceptual target" of 330-410 million tonnes.



"I think it is a very attractive project and we don't intend to sit on our hands," Fietz says.

One attraction is that labour costs are much cheaper than in Australia and while the old miners are long in the tooth there's still a rich seam of coal know-how.

Another is the proximity to European steel mills, with the freight cost advantage making up for slightly lower coal quality.

Yesterday's well-received news distracts from New Age's June 1 revelation that its main Colombian project, Terranova, has been delayed because there is not yet enough coal reserves.

We had New Age as a **spec buy** at 12c in December and maintain the call.

As far as sovereign risk, the only danger here is if Prince Harry ascends to the throne.