

28<sup>th</sup> July 2011

ASX : NAE

## ASX ANNOUNCEMENT

### Quarterly Report for the period ending 30<sup>th</sup> June 2011

New Age Exploration Limited (“NAE”) is pleased to provide shareholders with its quarterly report to 30<sup>th</sup> June 2011. This quarter has seen the successful initiation and public announcement of NAE’s Colombian coal strategy.

#### Highlights

- **Entered into exclusive Colombian partnership with Aurora Energy S.A. – “NAE-Aurora Partnership”**
- **Successful acquisition of the three exploration and mining concessions within the world class Cesar export thermal coal Basin (the Cesar Project)**
- **Acquisition of an exploration and mining concession application targeting medium volatile coking coal within the Subachoque Syncline (the Subachoque Project) post quarter end**
- **JORC Exploration target across project portfolio of 250-1,000Mt thermal coal and 20-40Mt coking coal**
- **Establishment of an office in Bogota and recruitment of three team members**

NAE’s Colombian coal strategy has been warmly received by the market, and we continue to remain focused on building our Colombian project portfolio.

To date, NAE has announced a JORC Conceptual Exploration Target of 250 - 1,000Mt of export thermal coal at the Cesar Project and a JORC Conceptual Exploration Target of 20 – 40Mt of medium volatile coking coal at the Subachoque Project.

The Company is currently reviewing a number of other potential opportunities within Colombia to add to its portfolio, with a particular focus on additional coking coal opportunities.

#### **Exclusive Colombian partnership with Aurora Energy S.A.**

We are pleased to have concluded an exclusive Colombian partnership with Aurora Energy S.A. (“Aurora”) The partnership was created with the aim to acquire and develop an attractive portfolio of Colombian thermal and coking coal projects.

Aurora has two major shareholders, C.I. Entrelink S.A. (trading as “Polminera”) and FWS Consultants (“FWS”). Polminera was founded in 1989 and is focused on supplying mining, mineral processing, safety and rescue equipment to the Colombian coal mining sector. It is well known in Colombia as a provider of high quality, independent consultancy services, training and technical support.

FWS Consultants is a well established, UK based independent geological and environmental consultancy. FWS Consultants has extensive experience within the Colombian coal industry and has undertaken a number of geological, coal processing, open pit design and underground mine mechanisation studies in Colombia since 2004. More importantly, FWS Consultants draws upon a significant network of expert UK and European coal mining and processing engineers, many of whom are familiar with operating conditions (geological structures and seam thicknesses) similar to those encountered in Colombian coalfields.

We believe that the partnership with Aurora gives NAE a unique strategic advantage in accessing investment opportunities in the Colombian coal sector, as it allows NAE to access the relationships, contacts and networks that Polminera has built up over the past 25 years as a leading supplier of mining, mineral processing, safety and rescue equipment and consulting services to the Colombian coal mining sector.

Once an investment opportunity has been identified, through FWS, NAE is then able to utilise the network of experienced coal mining and processing engineers to bring the opportunity into production in a timely and cost effective manner.

*For further information please refer to the press release:  
6th May 2011 – “Colombian coal partnership with Aurora Energy”*

### **Cesar Projects**

During the quarter, NAE acquired three strategically located exploration and mining concessions within the world class Cesar thermal coal basin with a total area of 6,685 hectares. The concessions are highly prospective and initial work to date has delineated a JORC Conceptual Exploration Target of 250 – 1,000Mt of export quality thermal coal.

Figure 1 Cesar Project Concessions

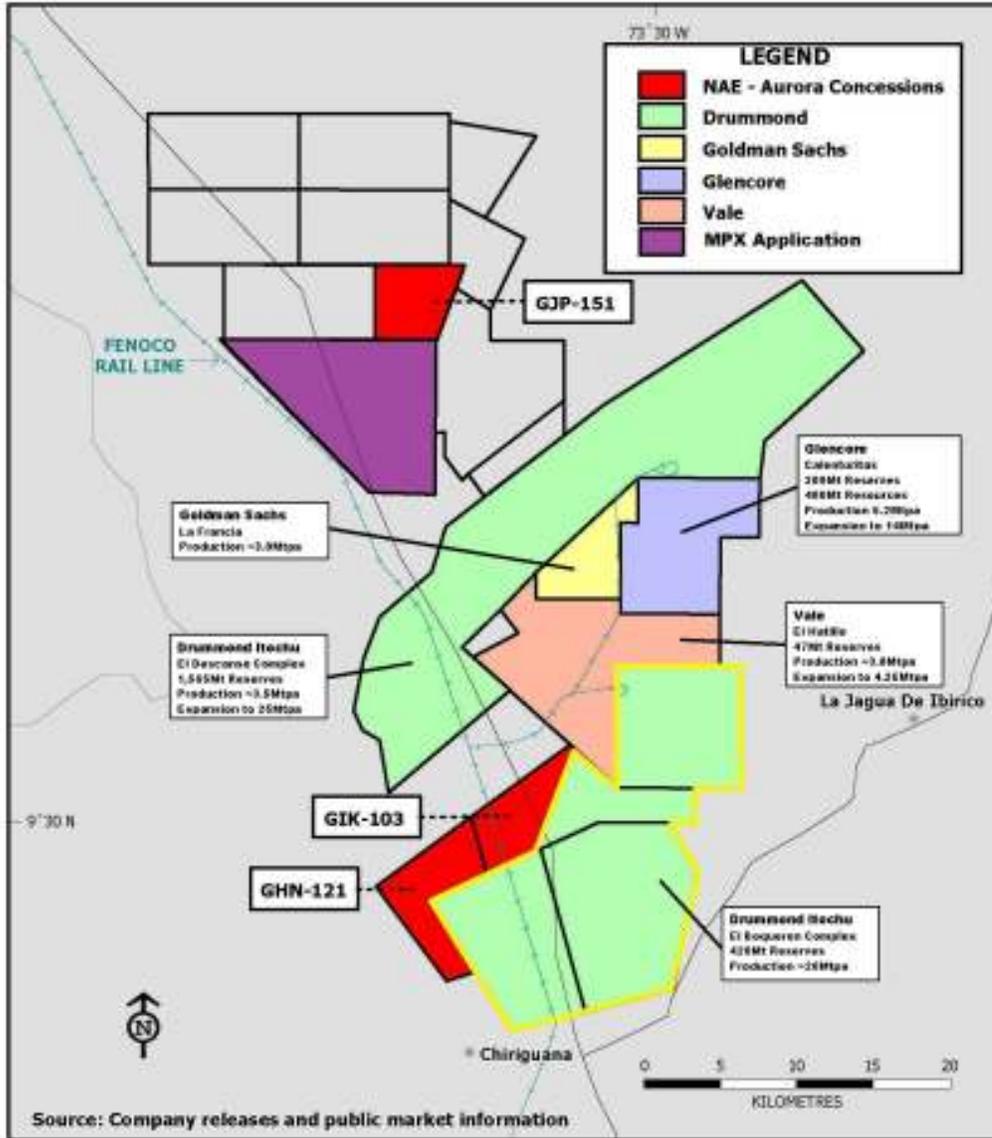


Table 1 Cesar Project JORC Exploration Target Estimates

Concession(s)	Area (ha)	JORC Conceptual Exploration Target (Mt)	Coal Quality
GIK-103 / GHN-121	4,141	200 - 800	Export thermal coal
GJP-151	2,544	50 - 200	Export thermal coal
Total	6,685	250 - 1,000	Export thermal coal

Post quarter end, NAE has progressed on seismic re-processing and geological interpretation of the Cesar concessions and tender enquires for drilling contractors are expected to be issued by the end of July.

*For further information please refer to the press releases:*

*11th May 2011 – “Acquisition of Coal Concessions in the Cesar Basin – Colombia”*

*8<sup>th</sup> June 2011 – “Successful Acquisition of Additional Colombian Coal Project”*

### **Subachoque Coking Coal Project**

Post quarter end, NAE announced the acquisition of an exploration and mining concession application (JBI-11091) in the Subachoque Syncline. Historical sampling results from outcropping seams on the concession demonstrate the presence of high quality medium volatile hard coking coal.

**Table 2 M2 Seam Coal Quality Analysis - Sample from Eastern side of JBI-11091**

		<i>As Received</i>
Total Moisture	%	2.3
Ash	%	5.1
Volatile Material	%	30.4
Sulphur	%	0.6
Gross Calorific Value	Kcal/Kg	7,940
Free Swelling Index		6.0

*Source: P.D. Flechas Rincon and L.E. Medina Robles (1992). Evaluacion de Reservas de Carbon y su Proyeccion Minera en la Subzona de Subachoque (Cundinamarca)*

The target coal seams in the JBI-11091 concession application are hosted in the Tertiary Guaduas Formation. The Terranova hard coking coal mine (

Figure 2), which is located approximately 15km to the north of JBI-11091, currently produces medium volatile hard coking coal from the M3 seam (also hosted in the Guaduas Formation), confirming the prospective nature of the concession application.

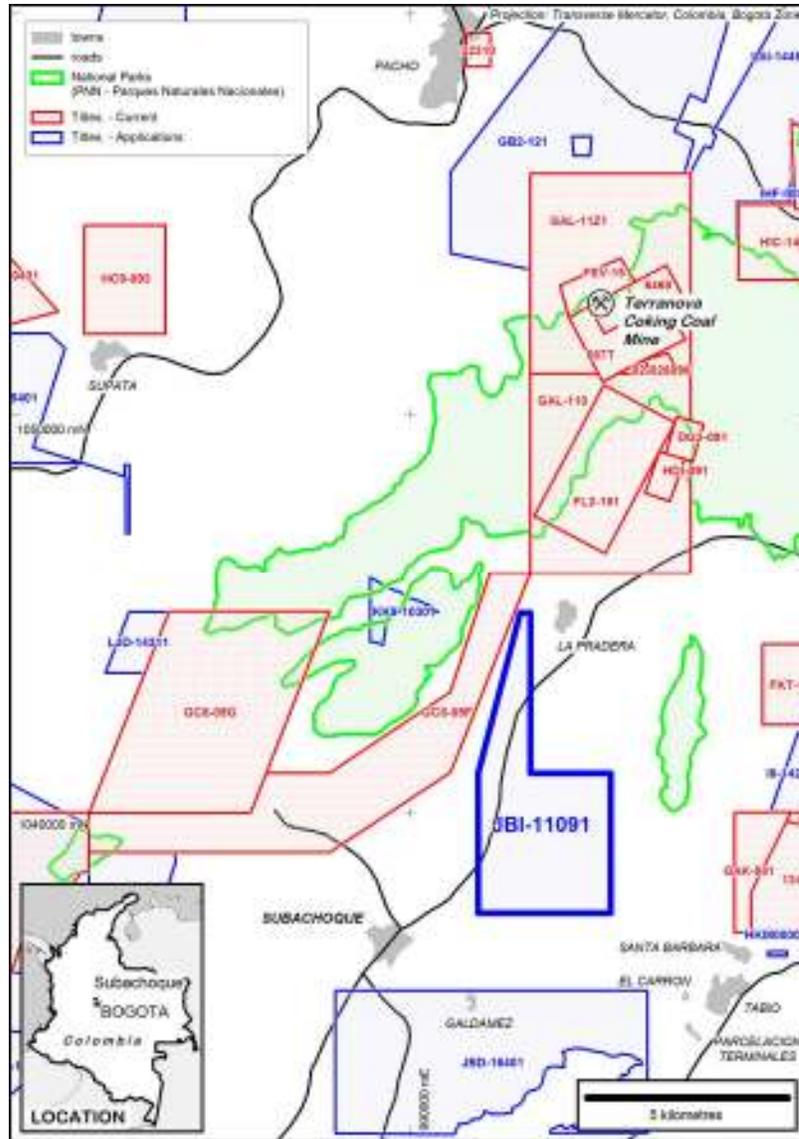
**Table 3 Subachoque Coking Coal Project JORC Conceptual Exploration Target Estimate**

<b>Concession application(s)</b>	<b>Area (ha)</b>	<b>JORC Conceptual Exploration Target (Mt)</b>	<b>Coal Quality</b>
JBI-11091	1,466	20 - 40	Medium volatile coking coal

*Planning of exploration activities on the Subachoque concession has been commenced by NAE.*

For further information please refer to the press release:  
 27th July 2011 – “Successful Acquisition of First Colombian Coking Coal Project”

Figure 2 Subachoque Project Concession Applications



**Bogota Office**

During the quarter NAE established a Bogota office and has commenced recruiting a Bogota based project execution and development team. To date, the following team members have been recruited:

Table 4 NAE Bogota Project Team

Role	Name
Office Manager	Zenaida Acosta
Cesar Project Manager	Wilson Escobar
Concession Manager	Johny Beltran

Going forward, it is NAE’s intention to expand the Bogota based team in line with the requirements of the project portfolio. NAE’s Bogota team is supported by Aurora.

**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. 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.*

*The conceptual Exploration Target estimate for the Cesar Project is based mainly upon (a) third party interpretation of legacy seismic profiles (ca. 30 years old) to assess the likely geological structure; (b) legacy boreholes sunk on nearby concessions; and (c) comparisons with the coal-bearing sequences exploited in nearby areas. The project is at an early stage, and so the target tonnages relate to coal in situ, in seams likely to be of workable thickness, but do not include any allowances for mining layout, recovery, support areas, or currently unforeseen geological losses. The range in the tonnage estimate reflects chiefly the current uncertainty (without direct borehole evidence) of the total thickness of mineable coal, and on the precise extent of the coal-bearing sequence beneath the licence block.*

*The conceptual Exploration Target estimate for the Subachoque Project is based mainly on a geological model, of the basin structure and coal stratigraphy, created for this review. It is based on outcrop mapping and sampling by others; on interpretation of published Colombian Mining and Geological Institute (Ingeominas), and unpublished, maps; and on reliable data derived from personal experience of underground mining operations (in the same basin and sequence) about 15km from the concession application. There is outcrop evidence of the presence of low ash coal of potentially mineable thickness in the concession application; but the number of seams, and continuity of thickness and quality, need to be proved. The geological structure and mining conditions also need proving. The project is at an early stage, and so the Target tonnages relate to coal in situ, in seams likely to be of workable thickness, but with no allowances or discounts for mining layout, recovery, support areas, or currently unforeseen geological losses. They have however, been reduced by 30%; which represents a notional allowance for possible fault disturbance.*

*The range of quoted Target tonnages reflects the uncertainty as to whether one workable seam or two is likely to be present and can be readily mined by modern methods.*

**ENDS**

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