

2 SEPTEMBER 2011

ASX: NAE

ASX ANNOUNCEMENT

Key Appointments to Terranova Mine Mechanisation Project Team

Highlights:

- **Highly experienced ex BP executive and project manager Jim Black appointed as Scoping Study Manager for the Terranova Mine Mechanisation Project**
- **NAE focused on developing the Subachoque hard coking coal project - targeting minimum production rate of 300ktpa hard coking coal production from a mechanised Terranova operation within 12 months**

New Age Exploration Limited (“NAE”) is pleased to announce the appointment of Mr Jim Black as the Scoping Study Manager for the Terranova Mine Mechanisation Project.

Most recently Mr Black worked for Hyder Consulting as the Group Director of the Project Management Group, and prior to this he held senior project management roles with Oz Minerals, Zinifex and BP.

Mr Black will lead an experienced team of coal consultants and professionals who are focused on completing the expansion and mechanisation of the Terranova project and commencing production within 12 months.

Currently the team includes UK based FWS Consultants (resource estimation) and BBB (mine planning, geotechnical and ventilation engineers and also mine contracting). BBB has also engaged an UG mining equipment supplier based in Kentucky (USA) to work on securing appropriate underground mining equipment to resource the Terranova project.

Mr Black will be supported by an in country team of Colombian professionals and consultants led by Mr. Carlos Felipe Barrera.

Mr Barrera, a Colombian national, is a Director of Aurora Energy, NAE’s Colombian Joint Venture partner, and holds a degree in Business Administration and Operations with a Master in Commerce and International Business from University of New South Wales, and has 8 years experience in the Colombian coal sector.

NAE Managing Director Gary Fietz commented *“I am extremely pleased to have been able to appoint someone of Jim’s calibre, with his extensive project management background, to lead the Terranova Scoping Study team.”*

“The appointment of Jim, supported by Carlos’s strong leadership in country, represents an exciting step forward for NAE as we move forward on the delivery of the Terranova project.”

“We are excited by this opportunity, as it has the potential to transform NAE into a hard coking coal producer in under 12 months, enabling NAE to take advantage of the high hard coking coal prices.”

The Subachoque Project has a JORC Conceptual Exploration Target of 35 to 64Mt of hard coking coal and includes the currently operational Terranova hard coking coal mine which has a production capacity of approximately 25ktpa hard coking coal.

NAE has defined a JORC Conceptual Exploration Target of 5 to 6Mt hard coking coal at the Terranova mine, and has recently signed an agreement with the owners of the Terranova hard coking coal mine to mechanise and expand the mine.

NAE is targeting a minimum production rate of 300ktpa hard coking coal commencing in 12 months from the expanded and mechanised Terranova mine. Development of mechanised hard coking coal mine on NAE's adjacent concessions is planned as the second stage of development for the Subachoque Project.

In addition to the Subachoque Project, NAE has acquired three exploration and mining concessions in the world class Cesar export thermal coal basin ('Cesar Project'). NAE has defined a JORC Conceptual Exploration Target of 250 to 1,000Mt of export thermal coal for the Cesar Project.

Competent Person 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.

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For further information please contact:

Victoria Thomas
Six Degrees Investor Relations
victoria@sixdegreesmedia.com.au
+61 3 9674 0347

Gary Fietz
Managing Director
New Age Exploration Limited
info@nae.net.au
+61 3 9614 0600