

22 SEPTEMBER 2011

ASX: NAE

ASX ANNOUNCEMENT

Completion of A\$4 Million Capital Raising to Advance Colombian Projects

Highlights

- **A\$4 million successfully raised via a private placement to an institution and a sophisticated investor**
- **Placement completed at 9% premium to the closing price on 19 September 2011 and a 14% premium to the 10 day VWAP ending 19 September 2011**
- **Proceeds to be used to advance NAE's Colombian coking and thermal coal projects including accelerating early production of coking coal from the Subachoque Project**

New Age Exploration Limited ("NAE" or "the Company") is pleased to announce the completion of a private placement of ordinary shares raising A\$4 million from an institutional investor and a sophisticated investor (the "Placement"). The Placement will be conducted by way of issuing 33,333,334 ordinary shares at an issue price of A\$0.12 per share. The Placement represents a 9% premium to the closing price on 19 September 2011 and a 14% premium to the 10 day volume weighted average trading price ending 19 September 2011.

The funds raised will be used to advance NAE's Colombian coking and thermal coal projects including accelerating early production of coking coal from the Subachoque Project, pay for costs of the placement and for working capital purposes.

NAE is pleased to welcome the following shareholders to its share register;

- Resource Capital Funds ("RCF"), a group of mining-focused private equity funds that is currently actively investing its fifth fund, Resource Capital Fund V L.P., with committed capital of \$1.02 billion,
- Mr. Chee Siew Yaw, a sophisticated investor, who is a successful Singaporean businessman and investor and is seeking to further his investments in the natural resource sector.

NAE Managing Director Gary Fietz commented *"We are pleased to have been able to secure this funding in the current volatile markets. The fact that we were able to raise this funding at a premium to our current share price illustrates the quality of our Colombian coal projects and our development strategy."*

"We are especially pleased to have the support of each of RCF and Mr Yaw and look forward to their long term support as key investors in our Company. The funds raised will be used to advance our exploration and development programs on our Colombian projects, in particular to accelerate bringing the Subachoque project into early production."

The Placement will be undertaken in two tranches. Tranche one involves the issue of 12,000,000 ordinary shares under the Company's existing placement capacity on 27th September 2011 with the balance of shares outstanding under the Placement (21,333,334 Shares) being issued subject to shareholder approval at the Company's upcoming Annual General Meeting, expected by early November 2011.

Binding agreements for all of the Placement participants have now been signed and 100% of the funds will be received prior to 26th September 2011. The funds received for the portion of shares subject to shareholder approval (\$2,560,000) will be held in trust until such time as shareholder approval is obtained. If shareholder approval is not obtained, such funds will be repaid to the Participants.

Placement shares will rank equally with existing ordinary NAE shares upon being issued.

Patersons Securities Limited acted as Lead Manager to the Placement. No fees were paid on the RCF portion of the placement.

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