

1 June 2012

ASX: NAE

ASX ANNOUNCEMENT**NAE Targets Long Term Production at Terranova Hard Coking Coal Project**

New Age Exploration Limited (“NAE” or “the Company”) announces that it has modified its current development plan for the Terranova Project (previously announced 14 December 2011) to target long term production. Based on the latest schedule for permitting and necessary approvals required for first production from the 887T concession and completion of the Bankable Feasibility Study (“BFS”), a six month delay to the commencement of raw coal production is now anticipated.

Given the licence for mining on the 887T concession currently expires in October 2014, the Company has determined that there is insignificant production for a robust business case in this limited timeframe as a stand-alone project.

As such, NAE has elected to focus on progressing the approval of the mine extension at the 887T concession and further studies on the FL2-151 concession, to underpin a long term production project. Based on these changes and subject to relevant approvals, the Company now anticipates production to commence at the Terranova Project during 2014.

To date, the NAE Project Team has been active in progressing many of the elements relating to the 887T concession that will be directly relevant to the long term Terranova Project including:

- Approval gained from the Mining Authority to increase production to 400,000 tonnes per annum
- Completion of:
 - Mining area Baseline Environmental Studies and Environmental Management Plan
 - Mine area Topographical Study
 - Phase 1 Hydrological Study
 - Mine Infrastructure Design and Layout
 - Mine Road Upgrade Design
 - Coal Washability Tests
 - In-seam Geotechnical Drilling and Roof Bolt Tests (necessary for design of a mechanised bord and pillar underground mine using continuous miners)
- Community consultations in progress

Managing Director, Gary Fietz, commented, *“Our Project Team on the ground in Colombia has worked diligently towards the completion of the Terranova BFS which would have allowed for early production from the fast track Stage One Project. However, due to the slippage in the time line and from an economic point of view, the Company has elected to refocus its efforts on delivering a robust long term project. We believe this to be in the best interests of our shareholders as we are now aiming at longer term production in excess of 10 years mine life.”*

ENDS

For further information please contact:

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

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