

ASX Release

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Shanagan Project Update

Newera Resources Limited (ASX: NRU) hereby provides an update on the Shanagan East Coal Project ("Shanagan Project").

- i) Washability Testing was inconclusive due to compromised coal sample. More sample material is required to be collected to achieve definitive results.
- ii) ~15 hole drilling program being planned to:
 - a) define the two new coal zone targets previously identified by the geophysics survey (Dipole Dipole); and,
 - b) to undertake infill drilling of previously drilled coal seams in order to build an Exploration Target and a potential JORC Resource.

Washability Testing:

Technical issues have arisen in Newera's initial program to test the washability of sample material collected from SHDH25 within the Shanagan Project.

Due to the severity of the winter conditions during the drilling program (i.e. reaching - 45 degrees at times) the coal material sent for testing may have been frozen and therefore has potentially compromised the results of the washability tests.

Newera will provide further sample material to conduct the full washability testing leading to definitive results once the severe winter conditions subside sufficiently to enable the recovery of more representative coal samples.

New coal zone drilling:

Newera is currently planning a third drilling program to comprise of approximately 15 holes at the Shanagan Project. This drilling program will target the potential two new coal seams identified from the Dipole Dipole survey modelling conducted by Professor Arvisbaatar.

If successful, follow up drilling will be considered to further define the East/West strike of these seams. Infill drilling is planned to gather further data to assist Newera calculate an Exploration Target and a potential JORC Resource.

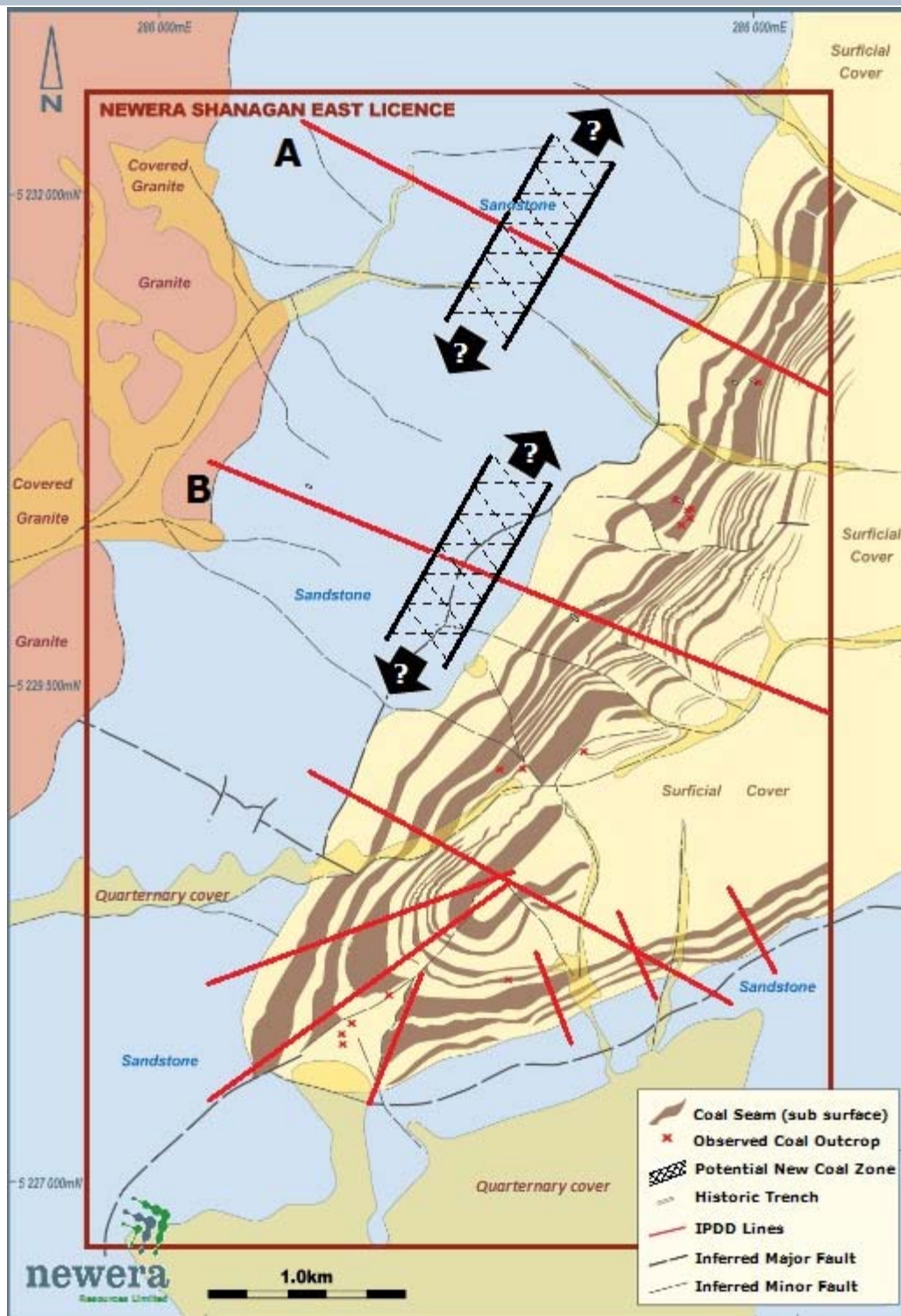


Figure 1: IPDD survey highlights two new potential coal zones on line A and B.

Washability Expert Consultant.

Newera has engaged Sedgman Limited, an Australian company specialising in coal handling and preparation plants worldwide, to assist in ensuring the design of the wash testing is the most effective and will achieve the most definitive results for Newera's coal type.

Sedgman, having reviewed all the available data have raised the possibility that the potential for frozen samples may have compromised any washability testing process and have the following comments and recommendations:

"Our coal quality experts have reviewed the data you forwarded regarding the Shanagan coal Project. Upon review of this data, taking into consideration the timing and climatic conditions it is most likely that the results will have been affected, in particular, with regard to sizing. We recommend drilling one additional core hole located next to a previous one in the summer. "

Further Information;

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Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Per Michaelsen, Consultant Geologist to Newera Resources Ltd who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Dr Michaelsen has sufficient experience, which is relevant to the style of mineralisation and the 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 Michaelsen consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.