

24th May 2007

**NEWERA CONSOLIDATES URANIUM PROSPECTIVE GROUND POSITION IN
THE CARNARVON BASIN IN WESTERN AUSTRALIA.**

HIGHLIGHTS

- Newera secures 3-year option to acquire a 100% interest in a single large, granted Exploration Licence (E09/1298 - 600sq/k) on the uranium prospective eastern margins of the Carnarvon Basin.
- Newera makes application (E09/1424 - 430 sq/k) with eastern boundary contiguous with western boundary of E09/1298.
- E09/1298's eastern boundary is partly contiguous with and down dip in the palaeo drainage from Newera's Jailor Bore project (E09/1194).
- Newera's Jailor Bore project (E09/1194) contains a uranium anomalous palaeo drainage running northeast to southwest and surrounds a third party tenement containing the known Jailor Bore Uranium Resource.
- Rock chip samples from the limestone units outcropping in E09/1194 but dipping into the optioned tenement have produced a visible uranium related mineral. An independent consultant mineralogist has identified that mineral as being Carnotite.
- Option terms on E09/1298 are three years, with a \$20,000 option fee, \$500,000 on exercise of the option and subject to exercising the option a 1.5% smelter royalty or a 1.5% FOB royalty.

Newera Uranium Limited (ASX: **NRU** – “**Newera**”) is pleased to announce that it has moved to secure a highly uranium prospective tenement covering 600 square kilometres within the western margins of the Carnarvon Basin and adjacent to the western boundary of Newera’s current Jailor Bore tenement.

Newera has entered into a agreement with Coccinella Pty Ltd (“**Coccinella**”), giving it a three-year option to secure 100% of Coccinella’s rights to Western Australian exploration licence **E09/1298**.

The option gives Newera the right to consolidate its ground position in the Carnarvon Basin to the west of Newera’s Jailor Bore project and represents a highly prospective and significant uranium exploration opportunity.

At the Ben Hur prospect within Newera’s current Jailor Bore tenement (E09/1194) and adjacent to the boundary of the optioned tenement (E09/1298), outcropping uranium trap site favourable porous calcareous sediments dip at ~ 25° to the west into the optioned tenement.

Rock chip samples from these porous calcareous units have produced a visible uranium related mineral. An independent consultant mineralogist has identified that mineral as being Carnotite.

Limestones regarded as favourable uranium trap sites due to their high carbonate content outcrop on the contact of the Carnarvon Basin and the “hot” granites of the Pilbara Craton east along the margin of the basin. These are also overlain by “red bed” oxidised sandstones and conglomerates.

Significant structures have also been interpreted from aeromagnetic data crossing from the granites to the east under the basement sediments, suggesting the possibility of locating unconformity uranium deposits at the contact of the sediments and the underlying granites along the structures.

In addition, and as part of the furtherance of the exploration for the geological models that fit the lease environments, Newera has applied for Exploration Licence **E09/1434** to the southwest of E09/1298, further along the dominant trend of the major structures that emanate from the Pilbara Craton granites. This lease gives further coverage of the Carnarvon basin and contains substantial amounts of suitable host rock-types and many prospective structures that cross the basin floor.

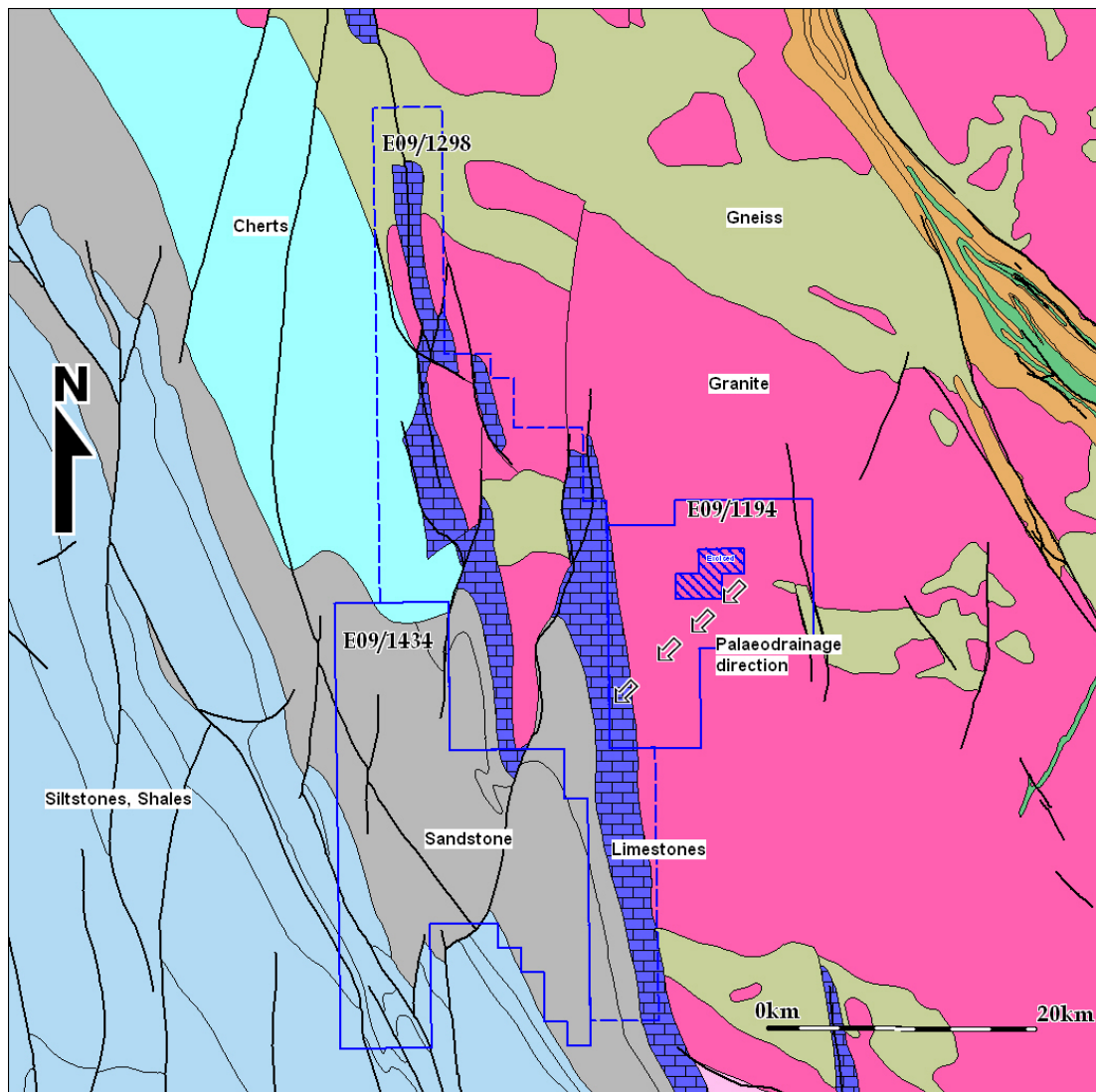


Figure 1: GSWA geology with the outline of the Newera tenements E09/1194 and E09/1434, with optioned E09/1298 between them. Willaraddie Creek drainage direction is shown on E09/1194.

Geological Setting

GASCOYNE - JAILOR BORE PROJECT – E09/1194

The Jailor Bore Project covers prospective terraced calcretes and mineralized limestones surrounding the Willaraddie Creek palaeo-drainage in the Gascoyne Province of Western Australia, 195 km NE of Carnarvon.

The area is prospective for calcrete-hosted uranium mineralisation with previous explorers identifying a modest low grade resource (365t U₃O₈ at 0.3kg/t probable and 350t U₃O₈ at 0.3 kg/t inferred) in a drainage channel largely within an excised portion of the tenement. The target in E09/1194 has been terraced silcrete/calcrete deposits seen along the banks of Willaraddie Creek and bearing much radiation damaged black quartz & chalcedony. Similar terraced calcrete-hosted uranium deposits such as Minindi Creek have also been identified in the Gascoyne Province.



Figure 2: Visible Carnotite in sandy limestone from Newera's Ben Hur prospect within E09/1194 of Newera's Jailor Bore project .

The Project area covers the contact of the basal sediments of the Merlinleigh sub-basin of the Carnarvon Basin and Early Proterozoic granitoid basement.

The source of the uranium is thought to be these Early Proterozoic gneisses and granitic rocks which can exhibit anomalous radioactivity of up to eight times background. These anomalous rocks outcrop extensively in the catchment area of the Willaraddie Creek.

Devonian sediments outcrop to the west and north of the area with Quaternary deposits occupying areas of low relief. The main units of exploration interest are a palaeo-calcrete which forms part of a river terrace along the banks of the Willaraddie Creek and the outcropping porous, calcareous Carnarvon Basin sediments striking north/south and dipping to the west out of E09/1194 and into E09/1298.

The "dirty" limestones of the basal contact sediments, the Gneudna Formation, have been shown to contain carnotite, with the mineral identified in hand specimen by Roger Townend and Associates using a Scanning Electron Microscope (Fig. 2). A substantial radiometric Uranium (U) and Uranium over Thorium (U/Th) anomaly exists in the limestones where Willaraddie Creek, a drainage which follows a structure with some 400m of displacement, flows southwest from the granites across the sediment contact, and this along with the calcretes will be drill tested once approvals are received for the program.

GASCOYNE – JAILOR BORE PROJECT – E09/1298 (optioned tenement)

E09/1298 contains substantial exposures of the Gneudna Formation limestones along the contact with the Pilbara Craton granitoids, with numerous structures interpreted from aeromagnetics crossing in a similar orientation to the fault on Willaraddie Creek (Fig.1).

Overlying these limestones are the highly porous conglomerates and sandstones of the Lyons Group, which on E09/1298 exhibit red Fe-oxide staining and gossanous iron oxides at surface. These sandstones are typical of the host rocks of sandstone hosted redox front deposits, with the uranium dropping out of solution at the limit of the oxidation.

The tenement encompasses the Merlinleigh sub-basin of the Gascoyne region of the Carnarvon Basin, with a tongue of granite of the Pilbara Craton extending south into the lease. This gives Newera exposure to two edges of the craton and their prospectivity.

The lease is considered prospective for “calcrete” type chemical trap deposits in the Gneudna Formation limestones, for “roll front” type redox boundary deposits in the porous sandstones and conglomerates, and for unconformity deposits similar to those in the Alligator River and Athabaskan basins along the major structures that underlie the basin.

GASCOYNE – JAILOR BORE PROJECT – E09/1434 (Newera Application)

E09/1434 overlies the Lyons Formation sandstones, with associated conglomerates, siltstones and glacial varves and tillites. Several major and many less significant structures cross the floor of this basin and these are considered prospective for unconformity type deposits. In addition there is also the possibility of redox front type deposits within the sandstones where U-laden waters cross them.

Proposed Exploration

In view of the success of other explorers with electromagnetic (EM) geophysical techniques in the exploration of the Athabaskan Basin in Canada, Newera proposes to conduct an aerial EM survey across both new leases as soon as practicable. The contact of the granites and the basal limestones on their E09/1194 lease will also be covered, and Newera has already begun by flying a pair of profiles across this contact as part of a recent survey on another tenement.

Aerial EM will enable cost-effective targeting of exploration of the basin floor and within the sediments and enable swift action on the finalization of the option agreement.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr P. B. Schiemer, Exploration Manager, Newera Uranium Ltd who is a member of the Australian Institute of Geoscientists. Mr Schiemer has sufficient experience, which is relevant to the style of mineralization 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”. Mr Schiemer consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.