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13 January 2011

NEWERA AMALGAMATES GIANT AND RED HILL WELL PROSPECTS AND CONSOLIDATES JAILOR BORE GROUND POSITION and,

NEWERA CONTINUES ITS DUE DILLIGENCE ON THE ACQUISITION OF POSIT RESOURCES AUSTRALIA PTY LTD.

HIGHLIGHTS

- Newera finalises agreement to acquire E09/1340 – adjacent to Newera’s E09/1298 at the Jailor Bore project in the upper Gascoyne region of WA.
- E09/1340 contains the Red Hill Well, Munaballya Well South and Munaballya Well North uranium prospects.
- The Red Hill Well uranium prospect lies immediately across the tenement boundary from Newera’s Giant prospect and will be combined with Newera’s Giant prospect to form a single, large, uranium prospect.
- Recent exploration at Newera’s Giant prospect – including drilling, has outlined a conceptual Exploration target of between 900,000lbs to 1,100,000lbs grading 120 – 150ppm U3O8. (Newera ASX announcement 23/02/2009)

Note: With regard to Newera’s Giant exploration target, there is currently insufficient data to calculate a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

- Through the acquisition of E09/1340, Newera may have the opportunity to increase considerably the scale of Newera’s Giant prospect.
- Newera to acquire a 100% unencumbered interest in E09/1340 for a consideration of \$20,000 cash and 750,000 fully paid ordinary Newera shares.

Newera Resources Limited (ASX: NRU) is pleased to advise that following execution of an agreement between Newera and Thundelarra Exploration Ltd, Newera now holds the rights to Western Australian Exploration Licence E09/1340.

E09/1340 shares a common boundary with the south eastern sector of Newera's E09/1298. E09/1298 contains Newera's Giant prospect which is part of a much larger uranium anomaly which in the past has been split approximately 50:50 with Thundelarra holding the Red Hill Well prospect on the eastern side of the tenement boundary.

By acquiring E09/1340, Newera has effectively amalgamated Newera's Giant prospect and Thundelarra's Red Hill Well prospect providing Newera the scope to double the size of the previously defined Giant prospect.

The tenement acquired (E09/1340) also contains the Munaballya Well North and Munaballya Well South prospects.

Background

Newera's Giant Prospect:

Previous historical exploration had defined the surface expression of a radiometric anomaly at Giant. Limited historical drilling had indicated that a blanket of uranium mineralisation appeared to exist across a wide area, to a depth of less than ten (10) metres.

Newera's drilling at Giant confirmed the presence of significant uranium mineralisation, coincident with airborne radiometric anomalies. Based on the extent of the radiometric anomalies striking up to 5km by approximately 400m wide, with mineralisation demonstrated to average approximately 2m in thickness, a conceptual exploration target of between 900,000 to 1,100,000lbs grading 120 – 150ppm U₃O₈ has been defined.

Note: There is currently insufficient data to calculate a mineral resource at Giant and it is uncertain if further exploration will result in the determination of a mineral resource.

A total of 29 holes for 1600 metres were completed. Sequences of interbedded calcareous siltstones and shale's were common with some thin (up to 2 metres thick) carbonaceous shale horizons.

Three separate uranium anomalous pods corresponding to the uranium anomalism seen in the radiometrics image (Figure 3) were tested in a limited first pass drill program and produced the best intercepts noted on Figure 3 and Table 1.

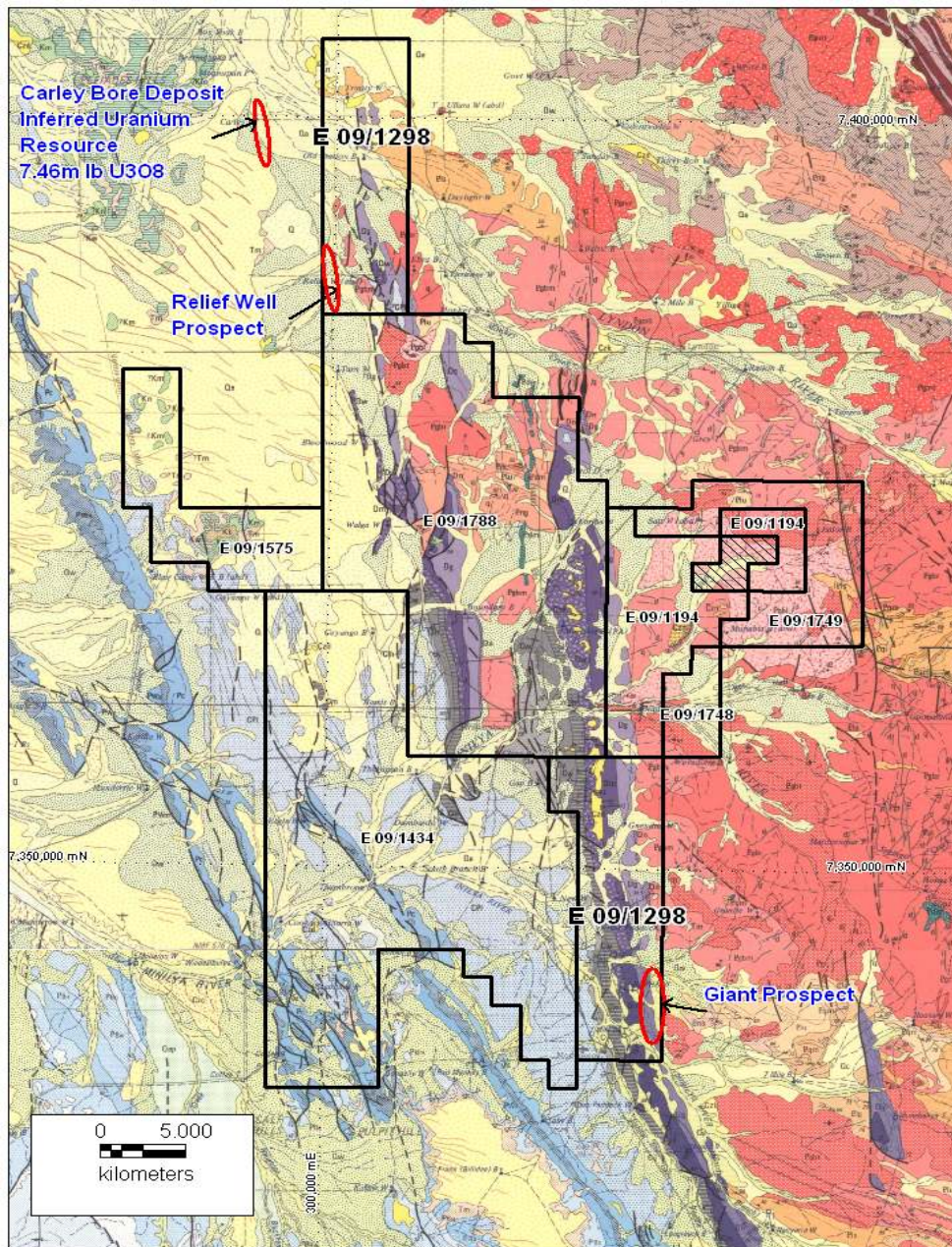


Figure 1: Previous Newera Uranium Limited Jairol Bore Project tenement plan over regional geology – including prospects.

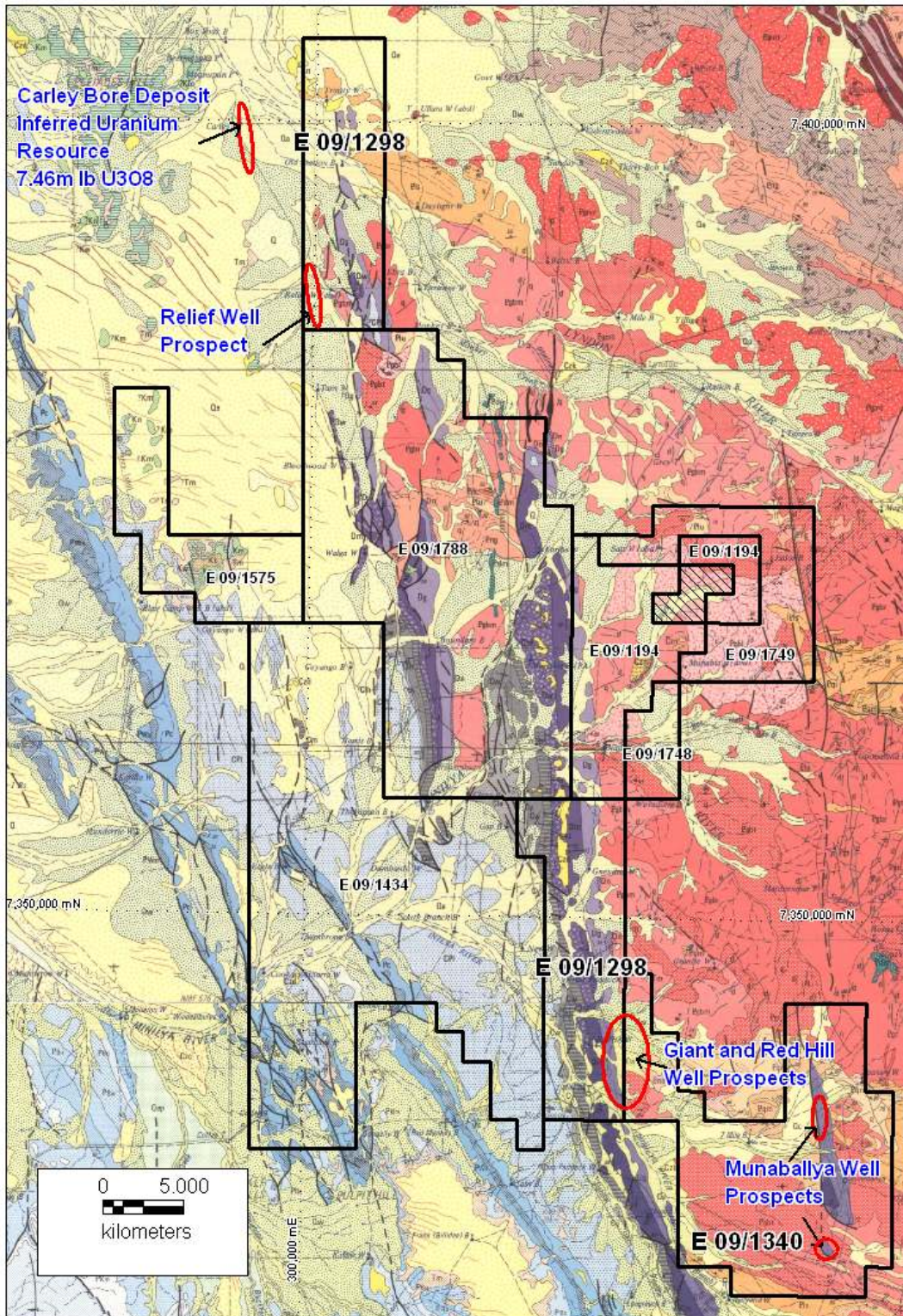


Figure 2: New Newera Uranium Limited Jailor Bore project tenement plan over regional geology – including prospects.

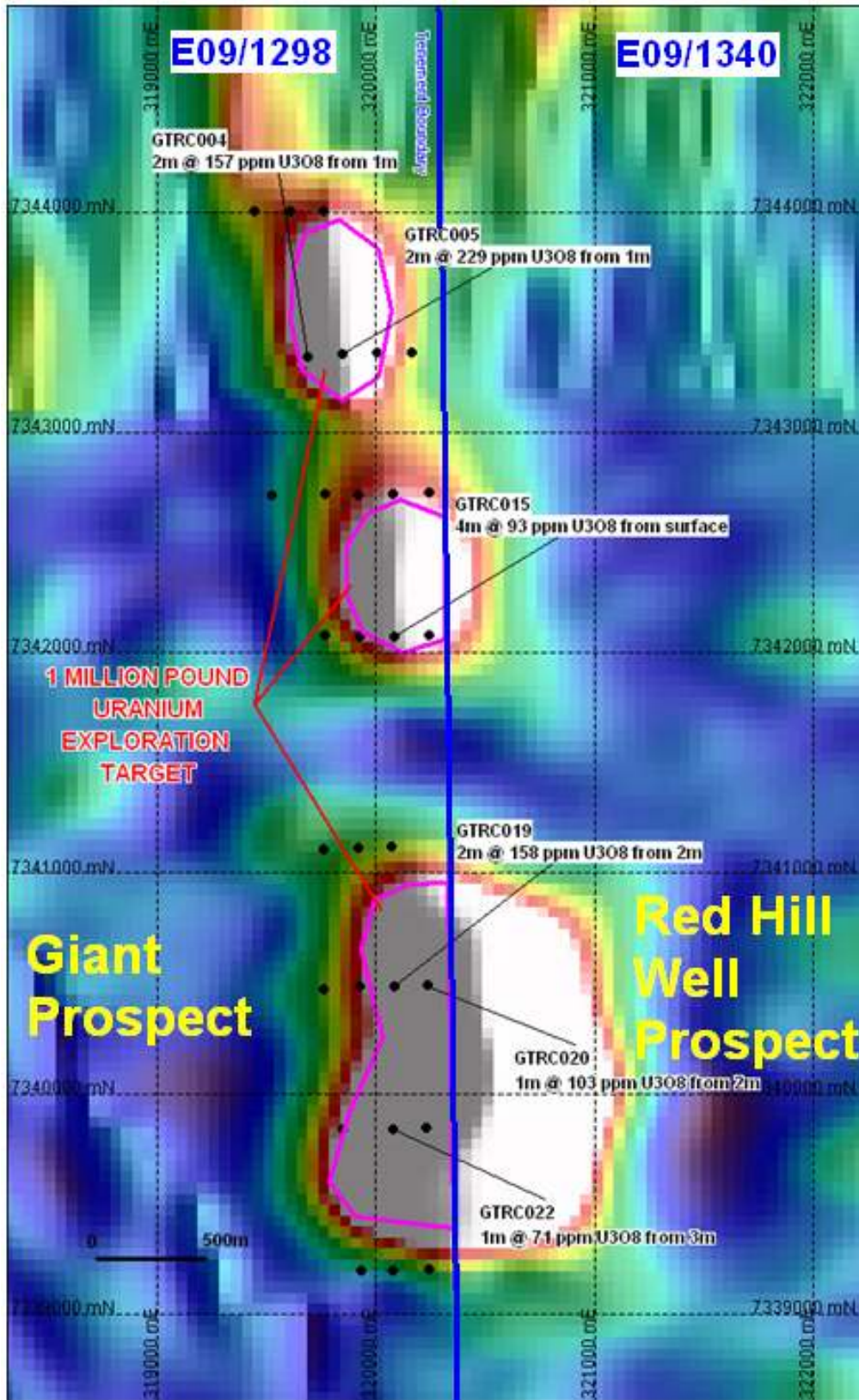


Figure 3. Amalgamated Giant and Red Hill Well prospects over Radiometric image.

Table 1: Significant Dec 2008 drill hole Intercepts at Giant prospect

Hole Id	East	North	Hole Depth (m)	Significant Intercepts of surficial mineralisation (XRF Kalassay Lab.)
GTRC004	319686	7343343	70	2m @ 157 ppm U ₃ O ₈ from 1m
GTRC005	319849	7343358	110	2m @ 229 ppm U ₃ O ₈ from 1m
GTRC007	320161	7343364	100	1m @ 129 ppm U ₃ O ₈ from 6m
GTRC015	320086	7342075	40	4m* @ 93 ppm U ₃ O ₈ from surface
GTRC019	320085	7340486	20	2m @ 158 ppm U ₃ O ₈ from 2m
GTRC020	320238	7340492	20	1m @ 103 ppm U ₃ O ₈ from 2m

Note *: 4m composite sample

All samples analysed by pressed powder XRF at Kalassay Laboratories in Perth.

In order to further understand the geology and deposition of uranium mineralisation at Giant, and to potentially define a future JORC standard inferred resource, lines of close spaced shallow (<10m) drilling need to be undertaken to determine the near surface distribution of uranium mineralisation across the sequence of inter-bedded siltstones and shales.

Thundelarra's Kennedy Range Project – E09/1340:

Containing the Red Hill Well prospect and the Munaballya Well North and Munaballya Well South prospects

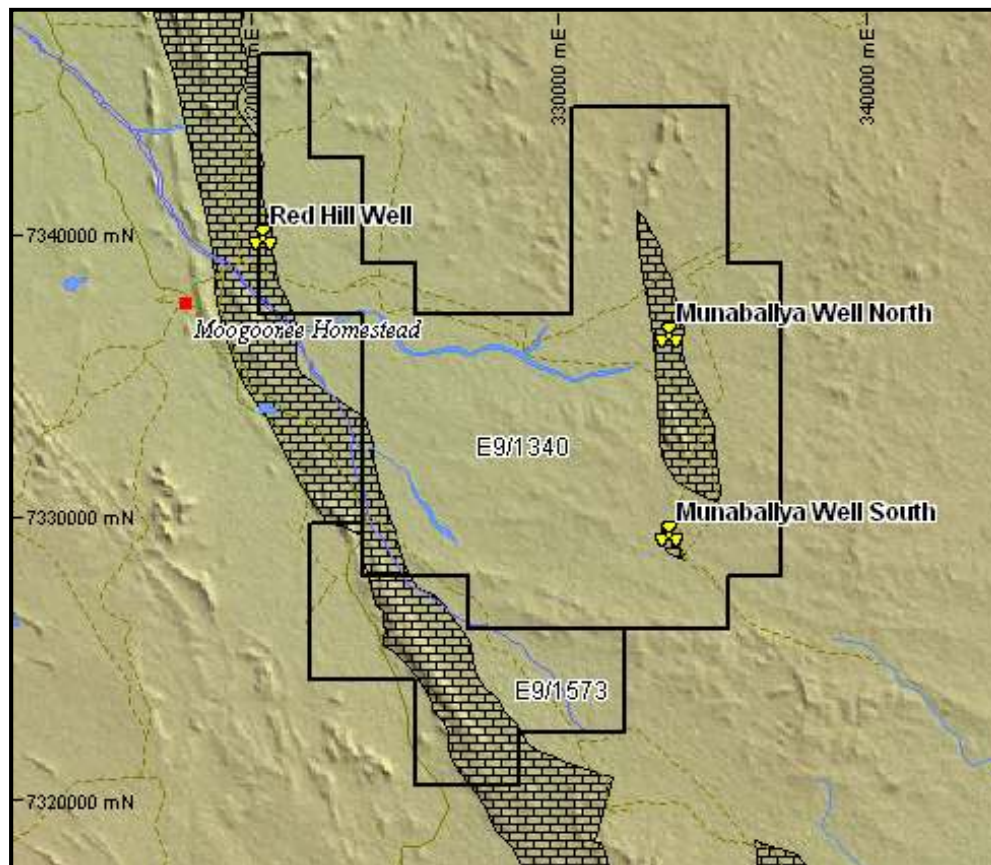


Figure 4. An outline of E09/1340, its contained prospects and the distribution of Devonian portions of the Carnarvon Basin.

The Red Hill Well Prospect (coincident with Newera's Giant prospect) forms the eastern half of a significant uranium radiometric anomaly.

Uranerz Australia Pty Ltd carried out uranium exploration on the Red Hill Well, Munaballya Well South and Munaballya Well North prospects (now within E09/1340) in the period between 1972 and 1976, including radiometric surveys, soil sampling, geological mapping, trenching and drilling. A virtually identical exploration program was undertaken at Red Hill Well, including trenching and drilling.

Uranerz were unable to define any high-grade unconformity –type targets across the Red Hill Well, Munaballya South and Munaballya North prospects and subsequently relinquished the ground.

Recent Exploration - E09/1340:

Thundelarra recently completed a program of shallow auger drilling at Red Hill Well and Munaballya Well South. This work has confirmed that the uranium enrichment is confined to a clay-rich stratabound weathered zone formed over a series of subunits within the dolomitic sedimentary package.

Of the 273 auger holes drilled, the maximum grade under XRF assay stands at 542ppm U₃O₈ from an auger hole at Red Hill Well, with 28 of the 79 results being greater than 200ppm U₃O₈.



Photo 1. THX auger sample TK568673. Uranium mineralisation is associated with green swelling clays. These clays are formed on a particular subunit / facies of the dolomitic package.

Gamma logging of shallow diamond drilling by Uranerz at Red Hill Well also demonstrates that the uranium mineralisation is up to 4.5 metres deep in places – generally from surface (Figure 5).

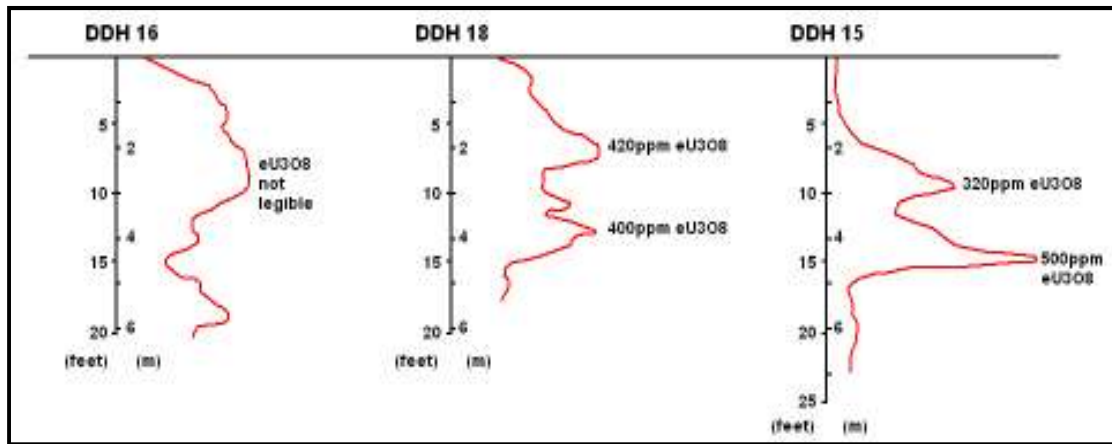


Figure 5. Downhole gamma probe & derived equivalent U_3O_8 results from Uranerz shallow drilling at Red Hill Well suggest that the surficial mineralisation occurs down to approximately 15 feet (~4.5m).

GPS assisted ground radiometric surveys undertaken by Thundelarra have revealed the stratigraphic control on the mineralisation (Figure 6) and this information was used to target the subsequent auger drilling campaign.

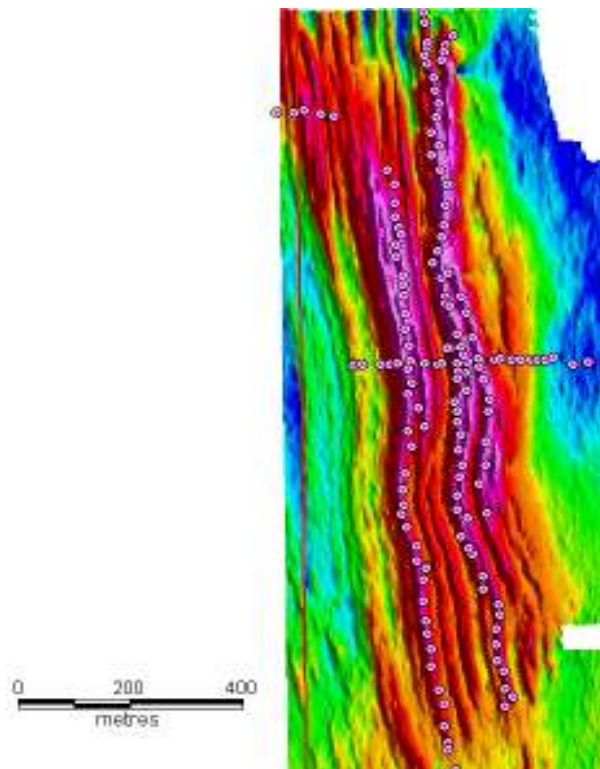


Figure 6. Auger drill holes completed at Red Hill Well on the ground radiometric images (total count). The license boundary at RHW is indicated in red. The steeply dipping sediments allow the radiometric anomaly to illustrate the stratigraphic control on uranium mineralisation. At Red Hill Well quaternary sands mask any extensions to the anomaly to the north and south.

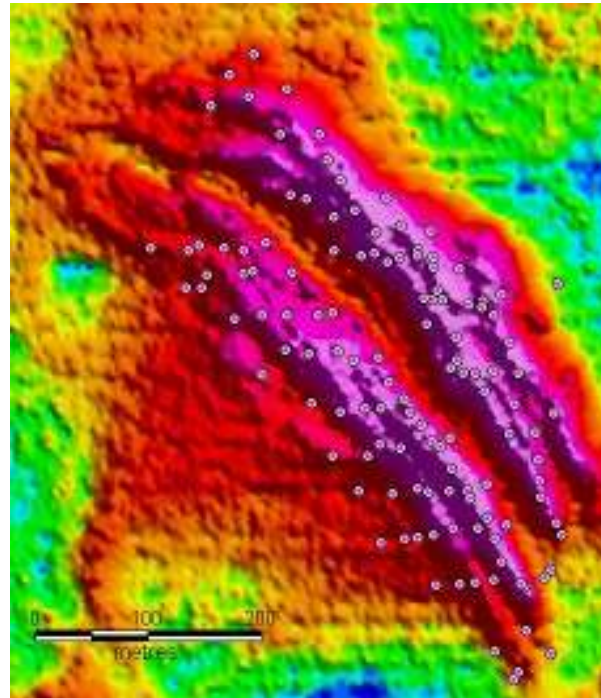


Figure 7. Auger drill holes completed at Munaballya Well South, the outcrop of Devonian sediments is limited to the approximate area of the image, and no potential therefore exists along strike.

The results of the auger work indicate that surficial processes appear to have enriched certain dolomitic subunits in distinct places along strike.

A schematic diagram of the mineralisation model is presented below (Figure 8.), however it is not certain if facies changes, cross cutting structural features, or other factors control the localisation of the deeper weathering and accompanying uranium mineralisation.

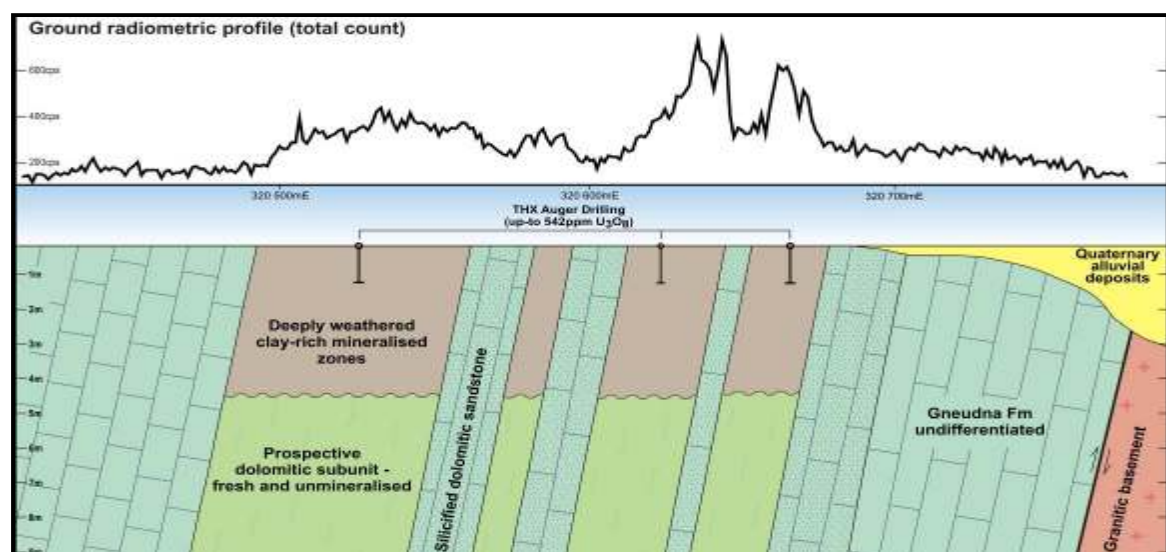


Figure 8. Schematic model of surficial uranium mineralisation at Kennedy Range (section 7340125 mN) with ground radiometric profile, illustrating the additional depth to be tested.

At the Red Hill Well and Munaballya South prospects, the surficial mineralisation has been tested by Thundelarra to a vertical depth of ~1.5m with auger drilling. Many of the auger holes were terminated within the clay unit and given historical work suggests that this clay is deeper, the scope for further uranium mineralisation at depths greater than 1.5m but less than ~5m is considered good.

The Munaballya Well North prospect is highlighted by a very prominent airborne radiometric anomaly occurring over approximately 3km of strike (Figure 9) and remains untested in recent times.

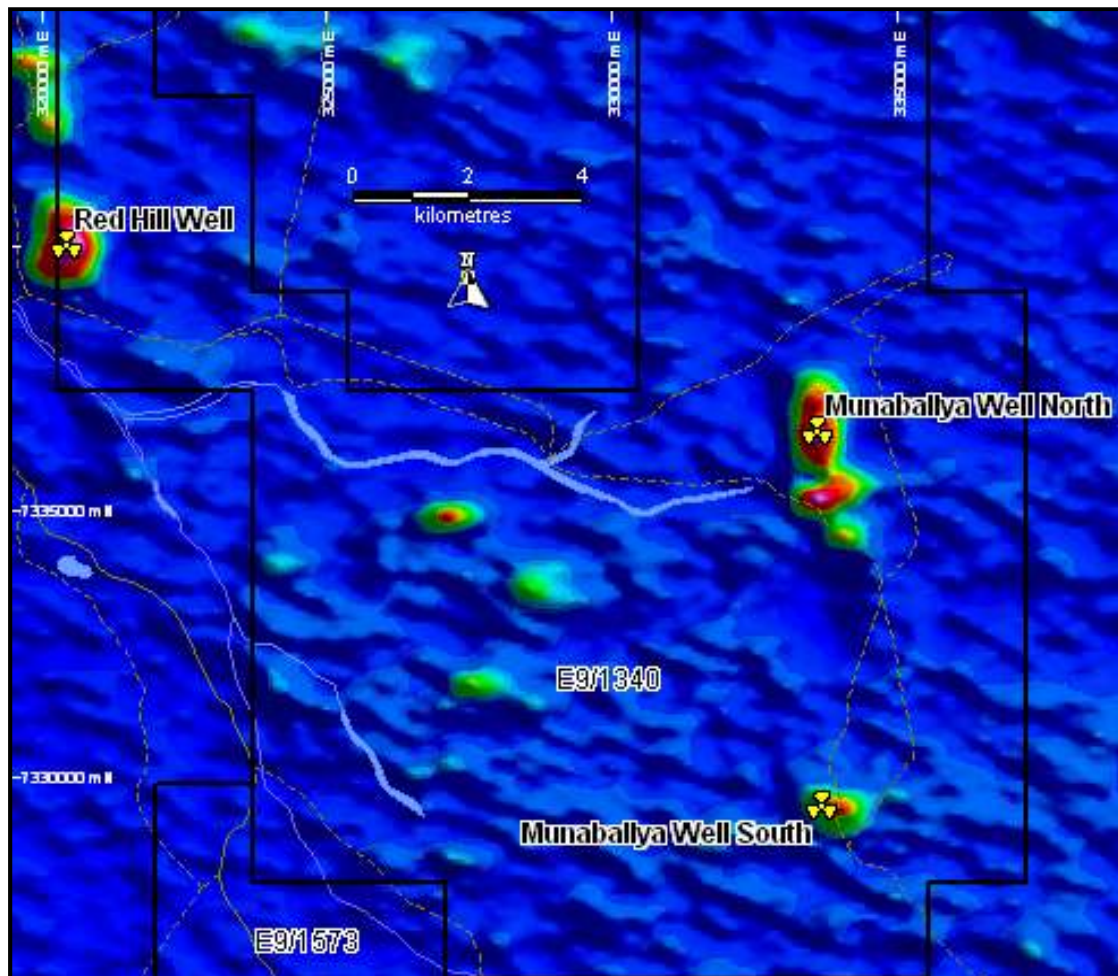


Figure 9. Airborne radiometric image from the government 400m survey – U²/Th ratio (used to reduce the intensity of thorium-based anomalies associated with granitic basement rocks). The anomaly at Munaballya Well North remains untested by THX, however reconnaissance mapping and historic records indicate the presence of a mineralising system identical to Red Hill Well and Munaballya Well South.

The amalgamation of the Giant and Red Hill Well prospects;

Newera's Drilling at Giant confirmed the presence of significant uranium mineralisation, coincident with airborne radiometric anomalies. Based on the extent of the radiometric anomalies striking up to 5km by approximately 400m wide, with mineralisation demonstrated to average approximately 2m in thickness, a conceptual exploration target of between 900,000 to 1,100,000lbs grading 120 – 150ppm U₃O₈ has been defined.

Note: There is currently insufficient data to calculate a mineral resource at Giant and it is uncertain if further exploration will result in the determination of a mineral resource.

Thundelarra, through its recent auger drilling exploration work at the Red Hill Well prospect has determined that surficial lower grade uranium mineralisation exists between 0 and ~1.5 metres depth over certain dolomitic units, with many auger holes terminating in mineralised clays. Uranerz, through its now historic drilling determined that lower grade mineralisation existed in a number of holes down to ~4.5m.

Newera, by amalgamating the Giant and Red Hill Well prospects through this acquisition, envisages that through a series of programs of closely spaced shallow (< 10m) drill holes across the now amalgamated Giant/Red Hill Well radiometric anomaly it should be able to determine the aerial extent of the uranium mineralised material and the down hole widths and grades of mineralisation, such that Newera's previously referred to Exploration Target at Giant, should have considerable scope for expansion across the entire radiometric anomaly – see Figure 3.

Terms of the Acquisition

The salient terms of the Acquisition Agreement between Thundelarra Exploration Limited and Newera Resources Limited for the sale of E09/1340 to Newera are as follows:

Consideration - \$20,000 cash plus 750,000 fully paid ordinary shares in the capital of Newera Uranium Limited for a 100% unencumbered interest in E09/1340.

Option Agreement – Newera Resources Limited and Posit Resources Australia Limited.

The parties have entered into a 45 day due diligence period and Newera continues its detailed due diligence process.



Uranium Market Update

Uranium U₃O₈ Price



Figure 10: Uranium price chart – 12 Months to 9th November 2010

Source: Bloomberg.

Demand

- *Energy production:* The energy production industry is the key driver of global uranium demand.
- *Climate change:* Nuclear energy is now seen as a clean alternative to the burning of fossil fuels for power generation and as such is enjoying increasing demand as countries increase their commitment toward reducing greenhouse gas emissions.
- *Depletion of secondary sources:* The World Nuclear Association (WNA) has estimated that in 2009, uranium mines supplied approximately 60,000 tonnes of uranium oxide, about 78% of global nuclear power utilities' annual requirements. The balance is made up from secondary sources including stockpiled uranium held by utilities, but the WNA predicts that "those civil stockpiles are now largely depleted"
- *Increased nuclear reactor construction:* As a result of the growing demand for nuclear power there is a rapid increase in the number of new reactors being commissioned. The WNA has recently estimated that there are 59 new reactors under construction globally. This represents in excess of 13% of current capacity.

Supply

- *Supply constraints:* As illustrated in Figure 11 below, potential uranium supply constraints are forecast from 2015 (WNA);
- *Consolidation vs. expansion:* Since the early 1990's the uranium (yellow cake) production industry has largely been under consolidation through takeovers, mergers and end of life mine closures.

The extent of consolidation is highlighted by the fact that only ten companies accounted for approximately 90% of the 60,000 tonnes U₃O₈ produced in 2009 (WNA).

- *Exploration:* Although uranium exploration expenditure spiked significantly during the uranium exploration boom of 2005 – 2007 very few new discoveries of JORC standard uranium resources have been made and subsequently, only a limited number of new mines have come into production due to a) an inability to convert resources into reserves, and b) political and capital expenditure constraints.

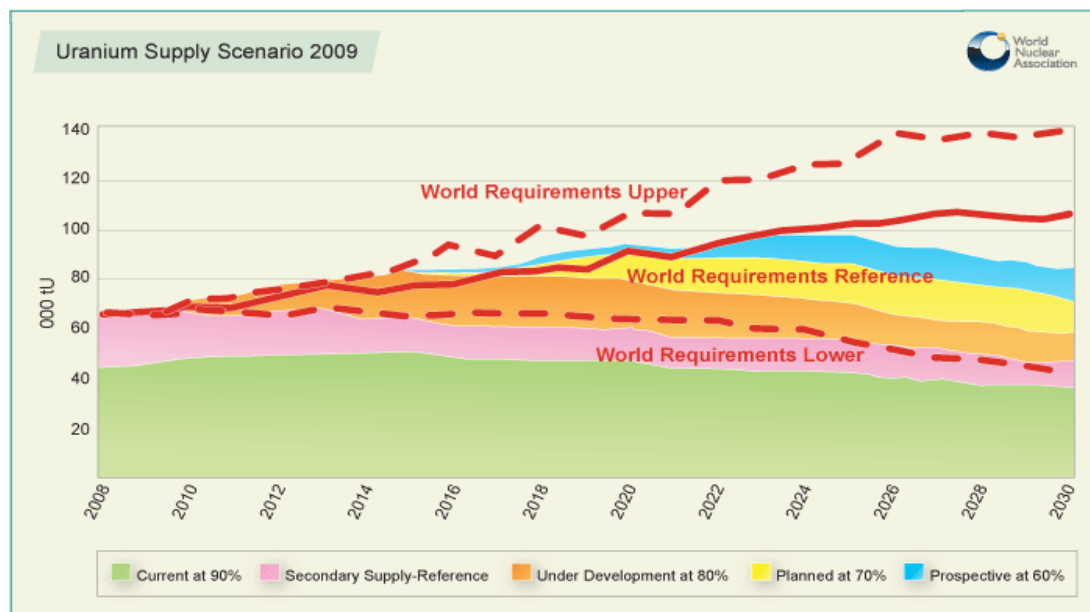


Figure 11: World Nuclear Association – Uranium Supply Scenario 2009 chart.

Source: World Nuclear Association



Further Information;
Martin Blakeman
Executive Chairman

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 Peter Robert Anderton, Consultant Geologist to Newera Uranium Ltd who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Anderton 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". Mr Anderton consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.