



MAIDEN JORC RESOURCE OF 150 MILLION TONNES

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HIGHLIGHTS

- ☛ Key milestone for EPC 1230 achieved with maiden JORC Resource Statement
- ☛ Significant resource of 150 million tonnes with coking coal potential
- ☛ 50 million tonnes of coal at depths less than 50 metres
- ☛ Subsequent drilling expected to increase the resource
- ☛ Ongoing coal handling and quality testing will determine the economics of the Comet Ridge Project with results expected before year end
- ☛ The recently announced Executive Team will now focus on the potential development of Comet Ridge

Newland Resources Limited (NRL) has achieved its first major milestone for EPC 1230 with the release of the maiden JORC Resource Statement for the Comet Ridge Project area. The Coal Resource at the Comet Ridge Project is contained in the Fair Hill Seam and has a cumulative thickness of between 2.5 and 4.0 metres.

Managing Director of NRL, Gavin May said "While 150 million tonnes is a significant tonnage, the 50 million tonnes of resource with coking coal potential at depths less than 50 metres is what excites me. NRL has a clear focus on delineating economic coal, so future exploration will concentrate on conversion of these resources into mineable reserves."

The JORC Resource Statement covers an area of approximately 30km² which is less than 15% of the total EPC 1230 area. Drilling to the west and north-west of the defined JORC Resource since 8 October has continued to delineate the Fair Hill Seam at shallow depths and NRL expects this resource to increase in the near future.

JORC STATEMENT SUMMARY Comet Ridge Project - Fair Hill Seam	
Depth Increment	Inferred Resource Mt
0-50m	50
50-100m	100

(Refer Figure 1 over the page for resource location)

- Independent geologists, McElroy Bryan Geological Services (MBGS), have prepared the JORC Resource Statement.
- The resource has been reported on 50 metre overburden depth increments on the basis that resources with less than 50 metres of overburden to the top of coal have a greater potential to convert to an economic reserve.
- The full JORC Resource Statement can be found on the Company's website.

NRL's recently announced Executive Team will now take the next steps in assessing the potential development of the Comet Ridge Project. Graham Colliss and Harvey Crowden will jointly work on site infrastructure, coal handling and processing options to determine capital budget estimates.

A number of drill core samples recovered during the six (6) week drilling campaign are undergoing extensive coal handling and quality testing. The results, which are expected before year end, will allow NRL to determine the potential economic capacity of the Comet Ridge Project.

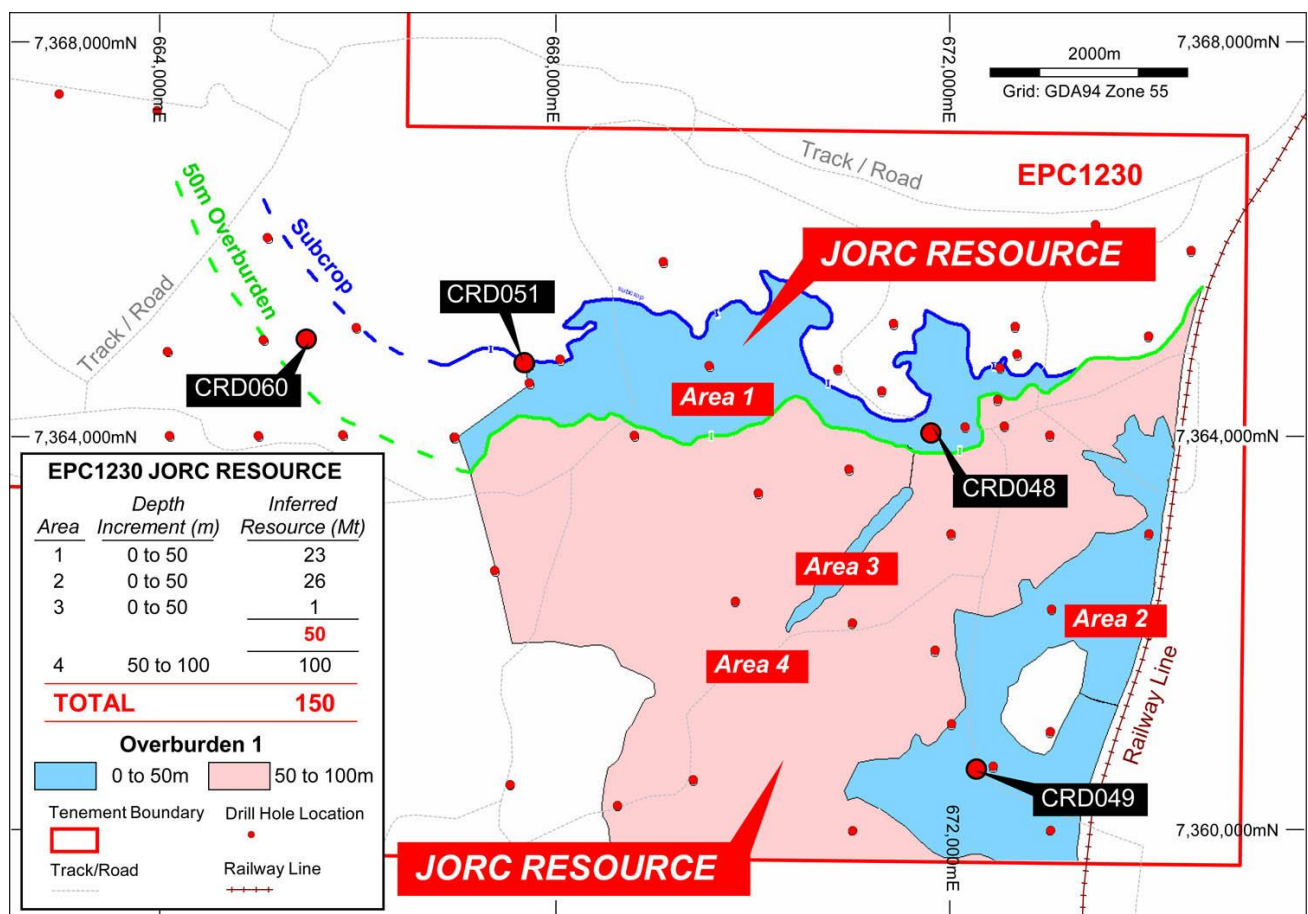


Figure 1 – Resource Location at Comet Ridge Project (EPC 1230)

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About Newland Resources Limited

Newland Resources Limited (NRL) is involved in coal exploration and development. The Company identifies, acquires and exploits opportunities in coal resources that could be brought into production to provide thermal and coking coal suitable for the export market. The Company has a 100% interest in six coal leases covering more than 1,900km² in Queensland's Bowen Basin.

Competent Person's Statement

The information in this announcement that relates to the mineral resources is based on information evaluated by Rob Dyson who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Dyson is a fulltime employee of McElroy Bryan Geological Services Pty Ltd. Mr Dyson is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and 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' (JORC Code). Mr Dyson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1 – RESOURCE ESTIMATION PARAMETERS

The following tables are extracts from the JORC Resource Statement for EPC 1230.

Table 1 – Summary of Geological Data

CRITERIA	CONSIDERATIONS
ACCURACY OF SURVEY DATA	Drill sites have been located with hand held GPS unit. Drill collar accuracy is currently +/- 10m in X and Y axis. The DTM over the southern portion of EPC1230 was acquired in December 2010 and is accurate to +/-2m. Hole RL's are tied to DTM elevation. At the completion of drilling, hole collars will be surveyed by Registered Surveyor using more precise GPS equipment.
DRILL HOLE TYPES	Most holes drilled are non-core with geophysical logs. SRK supervised drilling of 25 non-core and two core holes (CRP035 and 36) in Feb-May 2011. MBGS supervised a program of 17 non-core (CRR037-053) and one core hole (CRD048) drilled from August-October 2011. Hole CRD053 is the last hole loaded into the Minex model. The program is continuing to end of October. Core drilling utilizes a tungsten drill bit (HMLC).
DATA DENSITY AND DISTRIBUTION	Earlier holes were drilled close to existing property tracks while the recent drill program employed a 1km grid to locate proposed drill holes. Drill hole spacing is generally 1km and in two small areas approximately 500m.
GEOLOGICAL LOGGING	Drill logs from first drilling program are poor quality and unable to be used. Lithological logs and hole graphics are available for holes drilled Aug-October.
GEOPHYSICAL LOGGING	All exploration holes intersecting Fair Hill Seam have been geophysically logged and have hard copy geophysics available in drill log folders.
SAMPLING STRATEGY AND SAMPLE RECOVERY	One core hole (CRP36) underwent drop shatter pre-treatment procedure to assess breakage characteristics of Fair Hill Seam. CRD048 was sampled on a ply by ply basis as well as stone partings and is currently being processed at ALS Laboratory in Emerald.
LABORATORY COAL ANALYSIS	There are no coal quality analytical results available at this time.
OTHER DATA	

Table 2 – Status of Geological Database and Model

CRITERIA	CONSIDERATIONS
GEOLOGICAL DATABASE	The digital geological data for Newland EPC1230 resides in a Minex borehole database. This includes drill hole survey data, seam picks and basic lithology data. Data in the database includes drill holes up to CRD053.
LITHOLOGICAL DATA AND SEAM CORRELATION	Lithological drill logs are present for the second phase of drilling. Combined with down hole geophysical density and gamma logs the Fair Hill Seam has been correlated across the southern portion of EPC1230 on a ply by ply basis. Consistent claystone units within the seam have been used to maintain consistency in correlation.
GEOPHYSICAL DATA	Geophysical log data is available in hard copy for most drill holes. LAS data is available for all drill holes in the recent program and some holes in the earlier program. These density logs were used to determine overall coal seam thickness, confirm recovered coal seam thickness and correlate the numerous thin coal plies (A-M) within the Fair Hill Seam.
GEOLOGICAL FEATURES	The Fair Hill Seam is located on the western flank of the south plunging Comet Anticline resulting in gentle seam dip to the southwest. The Fair Hill Seam thickness ranges from 9-12m thick and comprises a highly interbedded sequence of tuffaceous claystone and up to 13 thin coal bands. Cumulative thickness of coal plies (A-F,M) when fresh range from 3-3.5m. Structural complexity (faulting) may be present however insufficient drill hole data is available for an interpretation. Tertiary sediments cover portions of the exploration area and can be up to 25m thick. In low lying areas such as valleys, Tertiary sediments can be absent resulting in Permian strata forming subcrop. BOW is generally less than 10m below the Permian palaeosurface.
COAL QUALITY DATA	
GEOLOGICAL MODEL	Resources were estimated using a computer ply model generated from Minex software. This computer model is identified as Newland_2011. The geological model for the Fair Hill Seam was produced using drill hole intersections. Seam thickness and structure floor grids were gridded on a 50m mesh.
MINING FACTORS OR ASSUMPTIONS	No minimum seam thickness was applied to the computer model although some plies (G-L) were excluded from the resource estimation due to high density indicating high ash. A maximum overburden thickness limit of 100m was applied.
COMMENT	

Table 3 – Estimation Procedures

CRITERIA	CONSIDERATIONS
PARTY RESPONSIBLE FOR RESOURCE ESTIMATION	Karol Patino/Zulaa Tamir (McElroy Bryan Geological Services)
COMPETENT PERSON	Robert Dyson (McElroy Bryan Geological Services)
DATE(S)	The Minex computer model (Newland_102011) was finalised on 8th October 2011 and incorporates drill hole data up to CRD053. The Resource estimation was completed on 14 th October 2011.
RELATIVE DENSITY	Relative Density was assumed to be 1.50 due to the high inherent ash content of the coal. No adjustments have been made for moisture.
METHODOLOGY	The estimation was completed using an assumed RD for all coal plies applied to ply thickness grids in Minex software (version 6.05), using vertical sided polygon areas. A cumulative coal thickness for the Fair Hill Seam was generated by compositing selected individual ply thicknesses in Minex.
VALIDATION	No previous resource estimation has been carried out in EPC1230. A manual check of polygon tonnage figures against Minex outputs has been completed.