



CHAIRMAN'S ADDRESS
ANNUAL GENERAL MEETING
18 NOVEMBER 2011

Good Morning Ladies and Gentlemen

The market's short term interest in uranium stocks has been severely dampened by the problems of the Euro zone and the fallout from the events in Japan earlier this year. However, it is clear that nuclear energy is still a medium to long term option for energy in many countries. The decision made by the Board to redirect the focus of the company's current exploration efforts this year in favour of our highly prospective phosphate projects has been justified and has created a significant opportunity for the company.

Global population growth, increasing food consumption per capita, particularly in Asia, a declining supply of arable land and increasing crop usage for biofuels, are all laying the foundation for a positive future for phosphate use in the fertiliser industry. According to the forecast made by the Agricultural Committee of International Fertilizer Industry Association in May of this year, global fertiliser demand is projected to grow at an average annual rate of 2.4% between 2010 and 2015. This compares with a 2.2% growth rate over the past decade. It is also noteworthy that Australia imports approximately 25% of its fertiliser needs each year.

Despite recent economic turmoil, prices for high grade phosphate have risen substantially in 2011 to around the current level of \$200 per tonne. The outlook for prices can only improve with a pick up in global economic growth.

NuPower's three phosphate projects - Arganara, Lucy Creek and Warrabri are all located in the Georgina Basin which is north east of Alice Springs in the Northern Territory. We announced earlier this year that reconnaissance work and rock chip sampling at our Arganara project indicated a potential zone of rock phosphate mineralisation over a strike length of in excess of 6 km's. Drilling of this prospect commenced in September and I am pleased to report that the program was completed in the last week with 12,600 metres having been drilled over an area of approximately 220 square km's. Assay results are only now starting to filter through and the high grade results announced yesterday clearly demonstrate the potential for direct shipping grade ore to be discovered in commercial quantities. Our exploration team will return to Arganara in 2012 to undertake further extensive work

Drilling at our Lucy Creek exploration licence in 2009/10 confirmed the presence of high grade phosphate ore and a follow up drilling program for this prospect is now planned for the first half of 2012. At our Warrabri project, field work will be undertaken in 2012 to delineate targets for a drilling program later in that year. At all our prospects the company is hopeful that these programs will uncover ore of a direct shipping grade in commercial quantities.


The company's Managing Director, Andrew Johnson, has been with the company since June and he has been instrumental in implementing the Arganara drilling program. Despite some early problems with a drill rig we have completed both phases 1 and 2 of the planned

drilling within budget and before the onset of any unfavourable weather. I must commend our exploration team on the successful completion of this program.

Because of strong shareholder interest we have been able to raise a total of \$5.7m by way of placements to professional investors and a renounceable rights issue this year. This places the company in a strong financial position and I would like to thank shareholders for their continued support for the company.

I would again like to pay tribute to Mick Muir who decided to step down as Chairman of the company in August. Mick has worked tirelessly for Nupower since its inception and I thank him for his enormous contribution. I am glad that he has decided to remain a member of the company's board. I would also like to thank my fellow board members and all the employees of the company for their support and hard work throughout the year.

Nupower has now entered an exciting phase in its development following the recent step up in exploration activity. Extensive drilling programs are planned for next year in an endeavour to realise the full potential of our phosphate projects. Further work will also be carried out on the rare earths and uranium projects in order to enhance their value to the company. We look forward to reporting our progress over the next twelve months.

A handwritten signature in black ink, appearing to read 'Robert Owen', with a large, stylized initial 'R' and 'O'.

Robert Owen
Chairman