



## ASX/Media Release

Annual General Meeting

27 November 2012

Chairman's Address to Shareholders

Good Morning Ladies and Gentlemen,

Food security is a major global issue. In years to come, a significant increase in food production will be required to feed the growing global population. Due to environmental concerns, very little new land is available for farming expansion, so improved usage of land currently available will be required. Cultivation of agricultural produce removes nutrients from the soil, which then need to be replenished in order to maintain sustainable land use. Fertilisers provide these vital nutrients that are the building blocks of all plant and animal life, and need to be continually re-applied to soils. The desire to increase crop yields and to increase the number of growing seasons per year requires even more intensive use of fertilisers.

Plant nutrients - notably nitrogen, phosphorus and potassium are the prime ingredients in fertiliser products. They are commonly used in different combinations, however they are not substitutable for one another. The tropical and sub-tropical regions of the globe, which contain some of the fastest growing populations, are generally deficient in phosphate.

The Food and Agriculture Organisation of the United Nations estimates that 80% of future increases in food production will be due to improved productivity. The use of fertilisers in agriculture will play an important part of this development. NuPower, with its Arganara resource, one of the largest in Australia, presents a unique opportunity to participate in the global fertiliser industry in a geopolitically stable environment.

Shareholders will today be asked to vote on the change of the Company's name to Central Australian Phosphate Limited. This significant event reflects the new direction the Company has undertaken over the past 18 months, and the initial

successes achieved on the road to establishing the Company as a major phosphate producer.

All of Australia's major known phosphate resources are located within the Georgina Basin, a large (325,000 Sq Km) Cambrian aged sedimentary basin that extends across north western Queensland into the central eastern part of the Northern Territory. Following recent exploration success by Nupower, and others in the Northern Territory, the basin is fast emerging as a world class sedimentary phosphate province.

NuPower has delineated a globally significant phosphate resource at its wholly owned Arganara Project located on the Northern Territory portion of the Georgina Basin. In August of this year, we announced a JORC inferred resource of 310 million tonnes of phosphate at a grade of 15% using a 10% cut-off. Initial whole rock geochemistry on phosphate mineralisation from the Arganara resource demonstrates it does not contain problematic contaminants. There is potential to significantly upgrade the tonnage from this region with further exploration drilling over the 27km corridor trending to the east, which was identified in the Company's 2011 drilling program.

It must be remembered that phosphate rock is a bulk commodity and as such, the logistics of any new phosphate resource are crucial to its development. Fortunately, Arganara is close to the main Northern Territory transport corridor, with the Darwin to Alice Springs rail line and all weather Stuart Highway within 90km of the deposit. These links provide NuPower direct access to Darwin, the closest port to the growing Asian phosphate markets.

Development of the Arganara resource will consist of two complimentary strategies. The first is the long-term supply of fertiliser grade phosphate for both international and domestic markets. The size potential of the Arganara resource holds the promise of a long mine life. The shallow nature of the ore will allow for shallow open pit/cast mining while the style of mineralisation indicates that the general run of the ore body (15% P<sub>2</sub>O<sub>5</sub>), can be beneficiated using standard processing techniques including screening, scrubbing and floatation.

The second strategy is to move to a more immediate program of developing a smaller scale export of direct shipping ore (DSO) by targeting the areas of high-grade intersections of +30% phosphate identified in this year's drilling program. This can be undertaken with a relatively small capital outlay on a basic crushing and screening plant - 30% phosphate rock is a saleable commodity. The DSO operation is able to generate revenue that will assist the development of the larger-scale strategy. As such, a drilling program to define such a resource is planned for 2013.

The next step towards a commercial operation is the application for the grant of a mining lease by the Northern Territory Department of Mines and Energy. To achieve this, Nupower will be required to complete diamond drilling and metallurgical testing of the phosphate cores from Arganara, in addition to infill RC drilling and bulk sampling. Environmental studies have already commenced, and both logistics and social impact studies will be completed during the scoping stage of the project for the mining lease grant.

The first stage of metallurgical test work is now underway with results due before the end of 2012. All going well we anticipate the mining licence may be granted in late 2013 or early 2014.

Currently, Nupower is undertaking a share issue to existing shareholders in order to raise \$2million, which will enable us to complete the requirements necessary to obtain a mining licence. The share issue closes today. The Company is also engaging with fertiliser manufacturers in an endeavour to negotiate off-take agreements for the Company's rock phosphate and/or to invest directly in the Arganara project to progress the development through to production. The Asian region has been an obvious starting point for these inquiries.

Nupower Director, Mick Muir recently participated as a delegate in a promotional trip arranged by the Northern Territory Department of Mines and Energy to China. I would like to now call on Mick to give shareholders a briefing on this successful trip.

#### REPORT ON CHINA VISIT by I.G. (Mick) Muir

At the request of the Chairman, Mr Bob Owen, I will give a short outline of NuPower's recent Northern Territory Government Mines Department sponsored China visit.

NuPower was invited to join the delegation because of the Company's recently announced JORC resource of phosphate at Arganarra

The Northern Territory Geological Survey (NTGS) specifically targeted Australian phosphate and fertiliser organisations to meet Chinese companies involved in all levels of the Phosphate and fertiliser industries.

NTGS are very aware that a secure supply of phosphate for fertiliser is an essential component in Chinese drive for food security.

There was a high level of interest from the many groups we spoke to, and both the Chinese investors as well as fertiliser manufacturers, were impressed with NuPower's professional approach and the current size of Arganarra, and the potential for a significant tonnage increase as further exploration is undertaken.

The recent Chinese involvement in the giant stage two expansion of the Western Australian Ord River Scheme following on the recent purchase of Cubby Station and numerous farming properties is further evidence of the strength of their interest in all parts of Australia's agricultural industries.

One of the important pieces of information we learnt in China was that the Chinese authorities have recently banned fertiliser exports, having deemed that all fertilizer should be kept for internal use.

This has led some private groups to look to building fertiliser plants offshore. It is our opinion that Darwin could well be a good geographical location with the necessary infrastructure in place, and being very close to emerging markets

NuPower remains confident that Chinese offers of investment in some form will be likely to follow our initial meetings, however such arrangements do not happen overnight.

Ends

*The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Johnstone, who is a Member of the Australian Institute of Geoscientists. Andrew Johnstone has sufficient experience which is relevant to the style of mineralisation and 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'. Andrew Johnstone, who is an officer of the Company, consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*This release contains forward-looking statements. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information*