



3rd July 2012

ASX Code: NUP

Capital Details

Shares on issue: 449.3 mil

Share Price: \$0.023

Market cap: \$10.3 mil

Directors

Chairman

Robert Owen

Managing Director

Andrew Johnstone

Non-Executive Directors

Ian Kowalick

John Jackson

Mick Muir

Company Secretary

Anthony Schildkraut

Phosphate Projects

Arganara

Lucy Creek

Warrabri

NuPower Resources Limited is a Northern Territory based exploration company. Our vision is to become a successful exploration and mining company with superior cash flows.

Arganara Phase 3 Extension Drill Results

- **Phosphate footprint increased from 17.8km² to 29.4km²**

NuPower is pleased to announce that initial assay results from Phase 3 extension drilling at Arganara Prospect has increased the phosphate footprint by 65% from 17.8km² to 29.4km². This increase will add valuable phosphate tonnes to the imminent maiden JORC resource.

Nupower has received lab analysis for 102 holes of its 249 hole Phase 3 program. These results are predominantly from the extension component of the program designed to increase the Arganara phosphate footprint with hole spacing's necessary to enable inclusion in the resource calculation.

Highlights from the first batch of drill assay results include:

ARC475: 3m @ 26.9% P₂O₅ from 13m including 1m @ 30.2 P₂O₅

ARC481: 7m @ 24.2% P₂O₅ from 28m including 1m @ 30.1 P₂O₅

ARC477: 6m @ 22.9% P₂O₅ from 19m including 2m @ 29.9 P₂O₅

ARC421: 8m @ 21.8% P₂O₅ from 21m including 2m @ 26.7 P₂O₅

Analytical results for the remaining infill drilling and outlying drill holes are expected over the coming weeks. Figure 1 clearly shows the high grade extensions to the phosphate discovered at Arganara in the 2011 Phase 1 & 2 programs. Figure 2 shows the new Phase 3 results against the 2011 results with polygons clearly showing the footprint increase. The results also indicate the mineralisation remains open to the east and south east at high grades (27 to +30% P₂O₅).

The primary aim of Phase 3 drill program is to establish a maiden JORC Mineral Resource for the Arganara Prospect by extending and infilling the 2011 Phase 1 and 2 drill programs. Integration of the Phase 3 results into the preliminary resource model, already completed using the data from the Phase 1 and 2 drill programs, will enable swift estimation of a maiden JORC resource.

Nupower looks forward to announcing further drill assays as they are returned over the coming weeks.

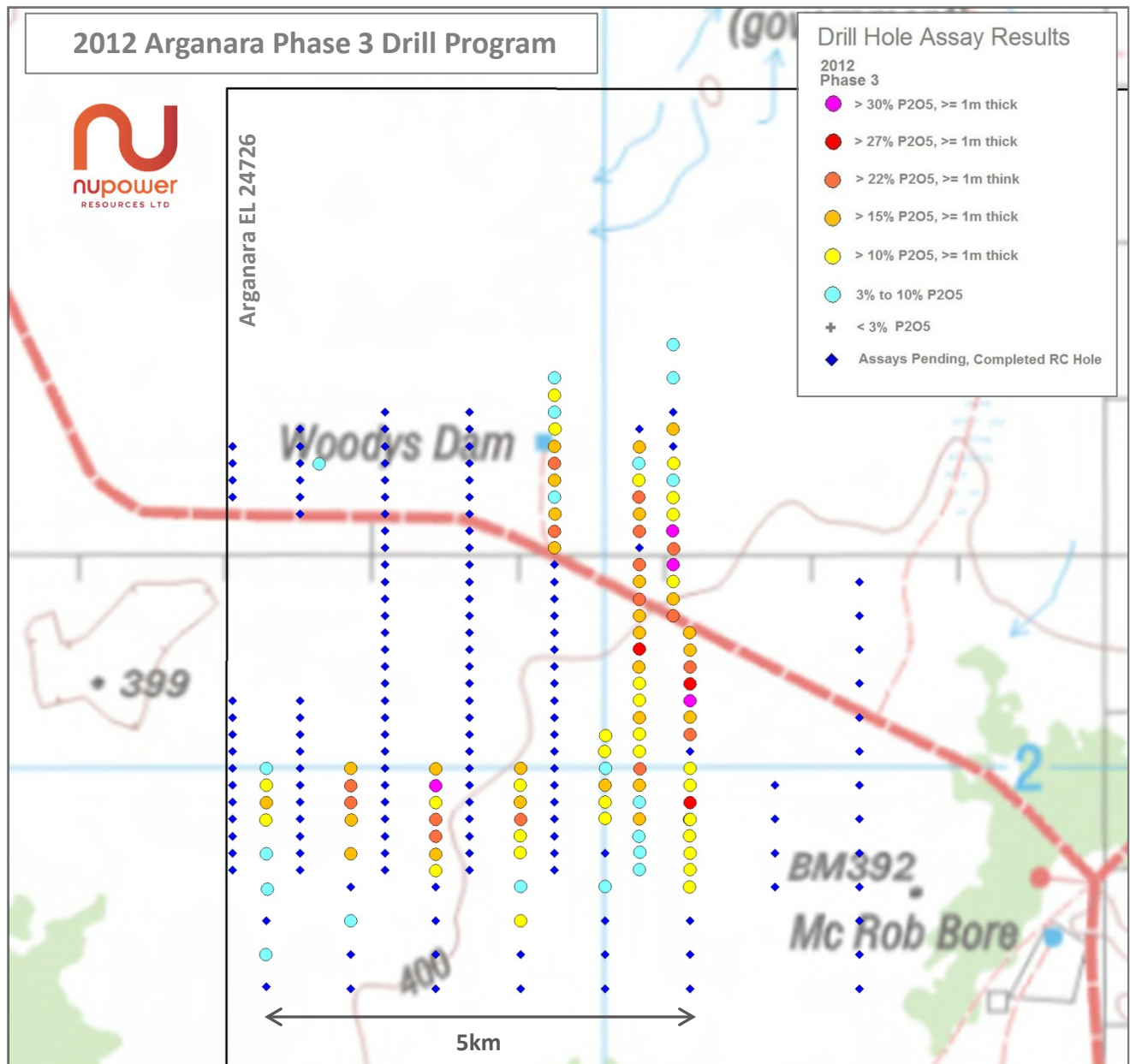


Figure 1: Arganara Phase 3 Drill Program, Plan map showing best 1m assay results (coloured dots). Plus remaining holes with assays still pending (blue diamonds). Most of the initial assays are from the extension component of the Phase 3 drill program.

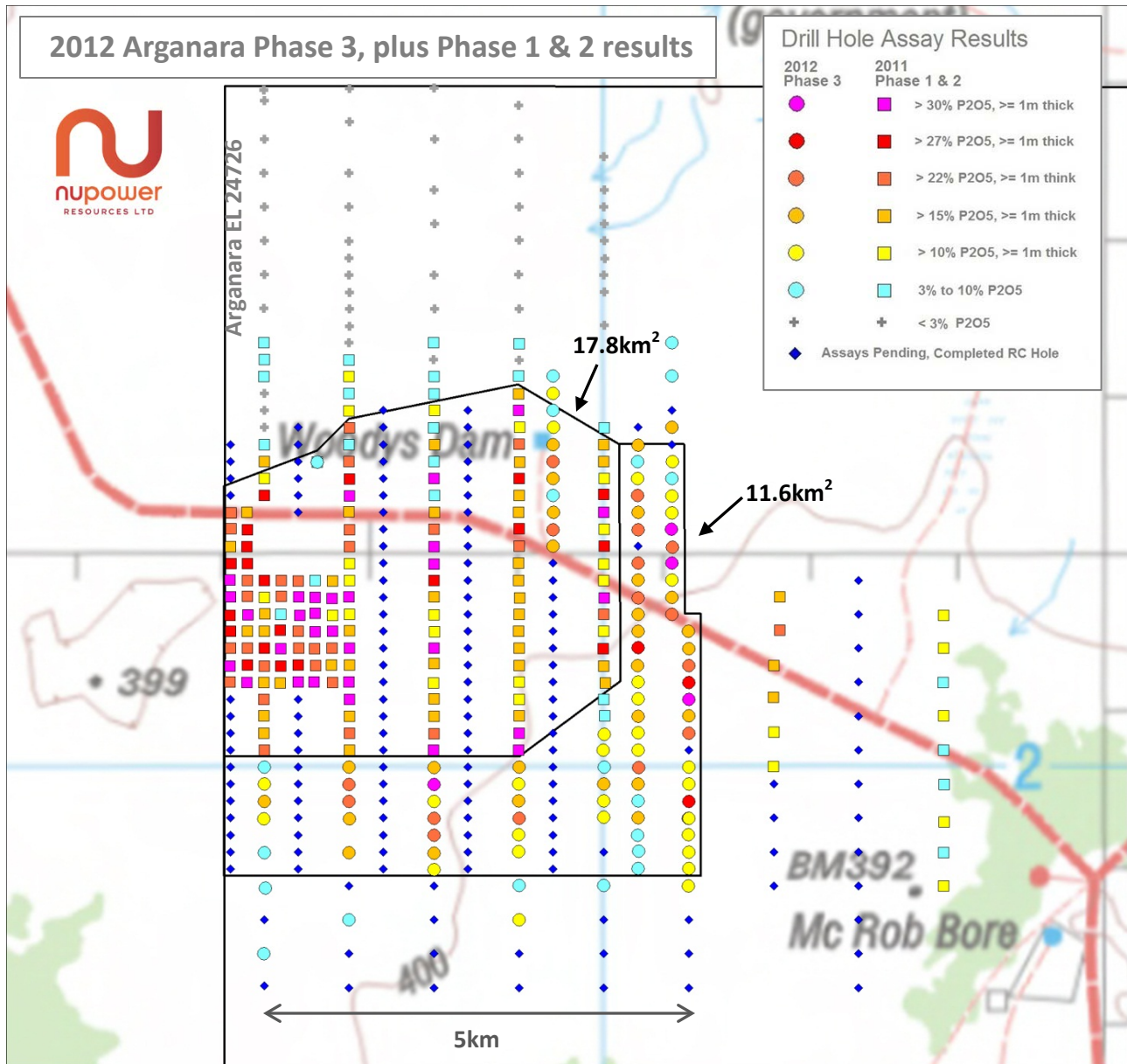


Figure 2: Arganara Phase 3 assays results shown with 2011 Phase 1 and 2 drill results. The black polygons show the increase in the Phosphate footprint from 17.8km² to 29.4km²

Andrew Johnstone

Andrew Johnstone
Managing Director

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.

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Rock Phosphate

Phosphate Rock or Rock Phosphate is a sedimentary rock which contains high amounts of phosphate bearing minerals, usually calcium phosphate (apatite). The Phosphate is typically reported as a percentage of phosphorus pentoxide (P_2O_5). Phosphate Rock or Rock Phosphate typically contains 10 to 20% phosphate (P_2O_5), Normal sedimentary rocks usually contain less than 0.2% phosphate (P_2O_5).

Deposits which contain phosphate in grades which are economic to mine economically are not particularly common. The two main sources for phosphate are guano, formed from bird droppings, and rocks containing concentrations of the calcium phosphate mineral, apatite. The largest use of phosphate is in the production of fertilisers for food production.

The majority of Australia's sedimentary phosphate reserves lie within the Georgina Basin located in northwest Queensland and northeast Northern Territory. All NuPower's Phosphate projects are located in the Georgina Basin in the Northern Territory.

For Fertiliser, phosphate rock or its concentrates preferably need to have phosphate levels of 30% (P_2O_5). Worldwide, the resources of high-grade ore are declining, and the beneficiation of lower grade ores by washing, flotation and calcining is becoming more widespread.

Phosphate is the key ingredient in: Superphosphate, Triple Superphosphate (TSP), Monoammonium Phosphate (MAP) and Diammonium Phosphate (DAP) Fertilisers.

Global consumption of rock phosphate continues to increase from demand for fertiliser production. According to the May 2011 forecast of the IFA Agriculture Committee, global fertiliser demand is projected to expand at an average annual rate of 2.4%, from 2010 to 2015. Current world prices for rock phosphate have remained stable around US\$180 to US\$200 per tonne (FOB) during 2012

Currently the world's largest producers of Rock Phosphate are China, America and Morocco. Growth in the global Rock Phosphates market is expected to stem largely from growing populations and increased food requirements in the Asia-Pacific, Latin America, and the Middle Eastern Regions.