



17 July 2012

KINNEY PROJECT PRE-FEASIBILITY STUDY UPDATE

The Board of New Horizon Coal Ltd (**NHO** or **Company**) is pleased to announce that John T. Boyd Company (**JT Boyd**) has completed their initial geologic modeling evaluation of the Kinney Project. JT Boyd is undertaking the evaluation as part of the ongoing Bankable Feasibility Study (**BFS**) for the Company's Kinney Project.

JT Boyd has confirmed the previous tonnage estimate prepared and issued by Behre Dolbear in a JORC Resource report earlier this year. In their assessment JT Boyd has incorporated additional drill hole information not previously utilized to define the Coal Resource. With their detailed geological modeling approach JT Boyd has expanded the resource coverage to include additional portions of the NHO controlled property and extended the minimum seam thickness criterion to 4 ft (1.2 m). This expansion of the resource coverage is expected to add additional tonnage to the overall Kinney resource. JT Boyd's work is ongoing and will be incorporating the results of the drilling program now underway. Boyd will be reporting an updated JORC Resource tonnage and a mine reserve tonnage in third quarter CY 2012 when their Pre-Feasibility Study (**PFS**) will be completed.

Highlights of the Kinney PFS:

- The JORC Coal Resource report for property currently controlled by NHO will be revised and updated upon release of the PFS.
- Coal quality information obtained during this year's drilling program and not previously available for the JORC Resource report will be included in the updated resource estimate.
- Additional historical drilling data that were not used in the maiden JORC Resource were evaluated by JT Boyd and included in the geological model.
- Adjustments were made to the Resource model to include additional controlled coal property and expand the resource estimate to a minimum 4 ft (1.2 m) seam thickness cutoff.

The pending Coal Resource Estimate will be completed in accordance with the criteria set forth in the JORC Code (2004). The underground mine plan to be developed as part of the PFS will determine the extent, tonnage, and quality of the JORC reportable reserves.

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About New Horizon Coal Ltd.

NHO is focused on becoming a producer of high quality thermal coal, with a target of becoming a mid-tier North American coal mining company. Through its US subsidiary, Wasatch Natural Resources (WNR), the Kinney Coal Project was acquired in late 2011. The Kinney Coal Project plan involves underground mining of two major coal seams using conventional, continuous miner sections. Entry will be via an exposed coal seam outcrop within the already permitted area.

The Kinney Coal Project lies in a mature mining region which has historically produced over 30 million tonnes of coal annually from underground mines. The Kinney Coal Project benefits from world-class infrastructure including three class 1 rail carriers within 30km of the proposed portal, paved roads and state highway maintenance facility directly adjacent to the mine and an experienced local workforce. The Kinney Coal Project is well positioned to meet demand for coal in the domestic and export markets with a high heat, low sulphur product.

Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Paul Anderson, who is a Registered Member of the Society of Mining, Metallurgy and Exploration (SME) and independent consultant to the Company. Mr Anderson is Director of Geological Services of John T Boyd Company and has over 37 years of exploration and mining experience in a wide variety of mineral deposit styles including coal. Mr Anderson 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". Mr Anderson consents to the inclusion in the presentation of this information in the form and context in which it appears.