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## NEWS RELEASE

### NGEX TO COMMENCE DRILLING AT BADA POTASH PROJECT IN ERITREA

**August 15, 2011.... NGEx Resources Inc. (TSX:NGQ) ("NGEx" or the "Company")** is pleased to announce the start of the initial drill program on its wholly owned Bada Potash project located in the Danakil Depression of Eritrea. This large license, encompassing over 431 square kilometres, is located 30 kilometres inland from the Red Sea port of Mersa Fatma and 150 kilometres southeast of the capital city of Asmara.

The Bada license is situated within the Eritrean portion of the Danakil Depression, an evaporite basin extending southward into Ethiopia, where exploration in the 1960's resulted in the discovery of the large Crescent and Musley potash and sylvite deposits. The Company plans to drill an initial 6-8 shallow holes that will test the potash potential of its license.

This initial drill program will investigate the margins of the basin for shallow (less than 100m) potash mineralization on both sides of the basin. To help target the drilling the Company has completed geological mapping and ground magnetic surveying over the entire license, and has also completed 4 lines of gravity. Modeling of the geophysical data suggests that the basin contains up to 1 kilometre of sediments which are thought to include thick evaporite sequences that host potash mineralization elsewhere in the basin. All drilling and sampling will be under the supervision of ERCOSPLAN Ingenieurgesellschaft, a potash consulting company with extensive experience in both the Eritrean and Ethiopian parts of the Danakil. Drill results are expected to be available in October.

The Danakil Basin was first explored for potash, in the early 1900's and there was active exploration and trial mining in the Ethiopian part of the basin in the 1960's. There was no further exploration from the late 1960's until recently. Today the Danakil Basin hosts several potash projects in Ethiopia where Sainik Coal and Allana Resources are actively exploring historic potash deposits immediately south of the Eritrean border and BHP holds a large license to the south of the Sainik and Allana projects. The Musley deposit was discovered and explored from surface and underground in the 1960's and is now held by Sainik Coal, an Indian company who have announced plans to build a pilot plant at the project. Allana Resources recently reported measured and indicated resources of 673 Mt @ 18.65 KCl and inferred resources of 19.96% KCl. In Eritrea, South Boulder Mines is exploring the Colluli potash project located about 20km south of the Bada license. South Boulder has reported potash intercepts at less than 100 metre depths at both their 'A' zone, with JORC/43-101 compliant measured, indicated and inferred resource estimate of 547Mt grading 18.58% KCl. South Boulder have also announced intercepts of shallow potash mineralization in their "B" Zone located approximately 10 kilometres south of the Bada License boundary. Information about third party projects is taken from their published information and the reader is referred to those companies' websites for details.

Commenting on the commencement of the drill program, Wojtek Wodzicki, President and CEO of NGEx said, "We are very pleased to be drilling our first holes on this exciting new exploration play. Potash has excellent supply/demand fundamentals and is in very high demand. Any discovery on our license has the potential to have a very significant positive impact on the Company. The Danakil Basin is emerging as potentially the most significant new potash play in the world. Elsewhere in the basin, potash has been intersected at depths of less than 100 metres which compares favorably with other well known potash basins such as Saskatchewan where the potash beds lie at depths of approximately 1 kilometre. The potential for shallow mineralization will dramatically reduce exploration and development costs. The location of the license so close to the Red Sea coast would give any discovery significant logistical and cost advantages over any deposits on the Ethiopian side of the border. "

Dr. Wojtek Wodzicki, P. Geo. (BC), President and CEO of NGEx, a Qualified Person as defined by National Instrument 43-101, has reviewed the technical contents of this release.

On behalf of the board

Wojtek Wodzicki  
President and CEO

For further information, please contact: Sophia Shane, Corporate Development (604) 689-7842.